

STATE OF MINNESOTA

Journal of the Senate

NINETY-THIRD LEGISLATURE

ONE HUNDRED THIRD DAY

St. Paul, Minnesota, Thursday, April 18, 2024

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Murphy 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. Dan Erickson.

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.

April 15, 2024

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2024 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2024	Date Filed 2024
	3377	83	9:52 a.m. April 15	April 15
	3437	84	9:53 a.m. April 15	April 15
	4483	85	9:54 a.m. April 15	April 15

Sincerely,
Steve Simon
Secretary of State

April 18, 2024

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 2024 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 2024	Date Filed 2024
	3589	87	10:31 a.m. April 17	April 17

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2904: A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; modifying certain collective bargaining provisions; requiring reports; making technical corrections; amending Minnesota Statutes 2022, sections 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 85.015, subdivision 10; 85.052, subdivision 6; 89A.11; 90.181, subdivision 2; 97A.015, subdivisions 29, 51; 97A.031; 97A.126; 97A.137, subdivisions 3, 5; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97B.031, subdivision 1; 97B.036; 97B.037; 97B.071; 97B.301, subdivisions 2, 6; 97B.318, subdivision 1; 97B.668; 97C.041; 97C.211, subdivision 2a; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.515, subdivision 2; 97C.601, subdivision 1; 97C.836; 103G.005, by adding subdivisions; 103G.271, subdivision 4a; 103G.287, subdivision 2; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 6, 7; 115.061; 179A.10, by adding a subdivision; Laws 2022, chapter 80, section 3; proposing coding for new law in Minnesota Statutes, chapters 11A; 103G; repealing Minnesota Statutes 2022, sections 97C.055; 97C.515, subdivisions 4, 5; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4.

Senate File No. 2904 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 15, 2024

CONCURRENCE AND REPASSAGE

Senator Hawj moved that the Senate concur in the amendments by the House to S.F. No. 2904 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2904 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 40 and nays 24, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Klein	McEwen	Pha
Boldon	Frentz	Kunesh	Mitchell	Port
Carlson	Gustafson	Kupec	Mohamed	Putnam
Champion	Hauschild	Latz	Morrison	Rest
Coleman	Hawj	Limmer	Murphy	Seeberger
Cwodzinski	Hoffman	Mann	Nelson	Westlin
Dibble	Housley	Marty	Oumou Verbeten	Wiklund
Duckworth	Jasinski	Maye Quade	Pappas	Xiong

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Housley and Jasinski.

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Lieske	Utke
Bahr	Eichorn	Johnson	Lucero	Weber
Dahms	Farnsworth	Koran	Pratt	Wesenberg
Dornink	Green	Kreun	Rarick	Westrom
Draheim	Gruenhagen	Lang	Rasmusson	

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

So the bill, as amended, 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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 4097: A bill for an act relating to commerce; adding and modifying various provisions related to insurance; regulating financial institutions; modifying provisions governing financial institutions; providing for certain consumer protections and privacy; modifying provisions governing commerce; making technical changes; establishing civil and criminal penalties; authorizing administrative rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision; 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24; 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2; 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement, sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2, sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 65A; 325F; 325G; 332; 507; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8.

Senate File No. 4097 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 15, 2024

Senator Klein moved that the Senate do not concur in the amendments by the House to S.F. No. 4097, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 4399: A bill for an act relating to human services; modifying and establishing laws regarding disability services, aging services, and substance use disorder treatment services; modifying assisted living facility licensing standards; modernizing language in Deaf and Hard-of-Hearing Services Act; expanding application of bloodborne pathogen testing to nonsecure direct care and treatment programming; making technical corrections and repealing obsolete language; limiting rent increases in certain low-income rental projects receiving low-income housing tax credits; amending Minnesota Statutes 2022, sections 144A.20, subdivision 4; 144G.30, subdivision 5; 144G.45, subdivision 3; 148F.025, subdivision 2; 245A.11, subdivision 2; 245D.071, subdivisions 3, 4; 245D.081, subdivisions 2, 3; 245D.09, subdivision 3; 245D.091, subdivisions 3, 4; 245D.10, subdivision 1; 245F.02, subdivisions 17, 21; 245F.08, subdivision 3; 245F.15, subdivision 7; 245G.031, subdivision 2; 245G.04, by adding a subdivision; 245G.22, subdivision 6; 246.71, subdivisions 3, 4, 5; 246.711; 246.712, subdivisions 1, 2; 246.713; 246.714; 246.715, subdivisions 1, 2, 3; 246.716, subdivisions 1, 2, as amended; 246.717; 246.721, as amended; 246.722; 254A.03, subdivision 1; 256.975, subdivision 7e; 256B.0659, subdivision 17a; 256B.0759, subdivision 4; 256B.0911, subdivision 24; 256B.092, by adding a subdivision; 256B.49, by adding a subdivision; 256B.4905, subdivision 12; 256B.69, subdivision 5k, by adding a subdivision; 256B.85, subdivisions 2, 6, 6a, 7a, 11, 17, 20, by adding a subdivision; 256C.21; 256C.23, subdivisions 1a, 2, 2a, 2b, 2c, 6, 7, by adding a subdivision; 256C.233, subdivisions 1, 2; 256C.24, subdivisions 1, 2, 3; 256C.26; 256C.261; 256C.28, subdivision 1; 256R.08, subdivision 1, by adding a subdivision; 256S.205, subdivision 5, by adding a subdivision; 402A.16, subdivision 2; Minnesota Statutes 2023 Supplement, sections 245G.05, subdivision 3; 245G.09, subdivision 3; 245G.11, subdivision 10; 245G.22, subdivisions 2, 17; 254A.19, subdivision 3; 254B.04, subdivision 6, by adding a subdivision; 254B.05, subdivisions 1, 5; 254B.181, subdivision 1; 254B.19, subdivision 1; 256B.057, subdivision 9; 256B.0659, subdivision 24; 256B.0759, subdivision 2; 256B.4914, subdivisions 4, 10, 10a; 256B.85, subdivision 13a; Laws 2021, First Special Session chapter 7, article 11, section 38, as amended; article 13, section 75; Laws 2023, chapter 61, article 8, section 13, subdivision 2; repealing Minnesota Statutes 2022, sections 245G.011, subdivision 5; 245G.22, subdivisions 4, 7; 252.34; 256.01, subdivision 39; 256.975, subdivisions 7f, 7g; 256R.18.

Senate File No. 4399 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 15, 2024

Senator Hoffman moved that the Senate do not concur in the amendments by the House to S.F. No. 4399, and that a Conference Committee of 3 members be appointed by the Subcommittee on

Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House 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. 3567: A bill for an act relating to education; modifying provisions for prekindergarten through grade 12 education including general education, education excellence, teachers, Read Act, special education, charter schools, nutrition and libraries, health and safety, early learning, and education partnerships and compacts; requiring reports; amending Minnesota Statutes 2022, sections 120A.05, subdivision 10a, by adding a subdivision; 120A.22, subdivision 12; 120A.35; 120B.022, subdivisions 1a, 1b; 120B.11, as amended; 120B.13, subdivision 4; 120B.234, subdivisions 1, 2; 121A.22, subdivisions 2, 4; 121A.2207, subdivision 1; 121A.41, subdivision 8; 122A.091, subdivision 5; 122A.181, by adding a subdivision; 122A.182, by adding a subdivision; 122A.185, subdivision 3; 122A.20, by adding a subdivision; 123B.09, subdivision 10; 123B.37, subdivision 2; 124D.151, as amended; 124D.60, subdivision 1; 124D.61; 124E.01, subdivision 1; 124E.05, subdivisions 2, 3, 5; 124E.07; 124E.10, subdivisions 2, 4, 5; 124E.12, subdivision 2; 124E.14; 124E.17; 124E.26; 125A.02, subdivision 1a; 125A.27, subdivision 8; 125A.56, subdivision 1; 127A.70, subdivision 1; 128C.02, by adding a subdivision; 260E.14, subdivision 1; Minnesota Statutes 2023 Supplement, sections 13.32, subdivision 5; 120B.021, subdivision 1; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.117, subdivision 4; 120B.12, subdivisions 1, 2, 2a, 4, 4a; 120B.123, subdivisions 1, 2, 5; 120B.30, subdivisions 7, 12, by adding a subdivision; 120B.302; 120B.305; 120B.31, subdivision 4; 120B.36, subdivision 1; 121A.041, subdivisions 2, 3; 121A.20, subdivision 2; 121A.642, by adding a subdivision; 122A.18, subdivision 1; 122A.181, subdivision 2; 122A.183, subdivision 2; 122A.184, subdivision 1; 122A.185, subdivision 1; 122A.40, subdivision 8; 122A.41, subdivision 5; 122A.631, subdivisions 2, 4; 122A.70, subdivision 2; 124D.09, subdivision 5; 124D.094, subdivisions 2, 3; 124D.111, subdivision 2a; 124D.165, subdivisions 2, 2a; 124D.42, subdivision 8; 124D.901, subdivision 4; 124E.02; 124E.03, subdivision 2; 124E.06, subdivisions 1, 4, 5; 124E.11; 124E.12, subdivision 1; 124E.16, subdivision 1; 125A.08; 126C.40, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 127A; 134; repealing Minnesota Statutes 2022, sections 120B.31, subdivisions 2, 6; 122A.2451, subdivision 9; Minnesota Statutes 2023 Supplement, section 122A.185, subdivision 4; Laws 2017, First Special Session chapter 5, article 8, section 9.

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

Pryor, Hill and Bennett.

Senate File No. 3567 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 15, 2024

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. 3852: A bill for an act relating to labor; making policy and technical changes to programs and provisions under the Department of Labor and Industry; making policy and technical changes to provisions under the Bureau of Mediation Services; amending Minnesota Statutes 2022, sections 13.79, subdivision 1; 13.7905, by adding a subdivision; 177.23, by adding subdivisions; 177.24, subdivision 1, by adding a subdivision; 177.30; 178.011, subdivision 9; 178.012, subdivision 1; 178.035, subdivisions 2, 4, 6, 7; 178.036, subdivisions 3, 4, 5, 6, 7; 178.044, subdivision 3; 178.07, subdivisions 1, 3; 178.09, subdivision 2; 178.091, subdivisions 2, 4, by adding subdivisions; 178.10; 179.01, subdivisions 1, 9, 16; 179.06; 179.08; 179.11; 179.12; 179.254, subdivision 1; 179.256; 179.26; 179.27; 179.35, subdivision 1; 179.40; 179.43; 179A.02; 179A.03, subdivision 17; 179A.06, subdivisions 1, 2, 3; 179A.08, subdivision 2; 179A.10, subdivision 1; 179A.104, subdivision 1; 179A.12, subdivision 1; 179A.15; 179A.16, subdivisions 1, 7; 179A.18, subdivisions 2, 3; 179A.19, subdivision 6; 179A.20, subdivision 4; 179A.23; 181.941, subdivision 4; 181.943; 181.950, by adding a subdivision; 181.951, subdivision 1; 181A.08; 181A.12, subdivision 1, by adding subdivisions; 182.664, subdivisions 3, 5; 182.665; 182.666, subdivision 6; 182.667, by adding a subdivision; 326.02, subdivision 5; 326B.0981, subdivisions 3, 4, 8; 326B.33, subdivisions 7, 21; 326B.36, subdivision 2; 326B.46, subdivision 6; 626.892, subdivision 12; Minnesota Statutes 2023 Supplement, sections 177.27, subdivisions 2, 4, 7; 177.42, subdivision 2; 178.01; 181.212, subdivision 7; 181.213, subdivision 1; 181.531, subdivision 3; 181.939, subdivision 2; 181.953, subdivisions 1, 3, by adding a subdivision; 182.6526, subdivision 1; 182.677, subdivisions 1, 2; 204B.19, subdivision 6; 326B.36, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 178; 181; 182; repealing Minnesota Statutes 2022, section 178.036, subdivision 10; Minnesota Rules, parts 5200.0080, subpart 7; 5200.0400; 5510.0310, subpart 13.

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

Nelson, M.; Berg and Myers.

Senate File No. 3852 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 15, 2024

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 4024:

H.F. No. 4024: A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including student sexual misconduct, student aid, student supports, and institutional registration and contract provisions; modifying allowable uses for appropriations; requiring reports; amending Minnesota Statutes 2022, sections 135A.15, subdivisions 1a, 2, 6, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision

3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; Laws 2023, chapter 41, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7.

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

Pelowski, Wolgamott and McDonald have been appointed as such committee on the part of the House.

House File No. 4024 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 15, 2024

Senator Murphy, for Senator Fateh, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 4024, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 3508.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 15, 2024

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 3508: A bill for an act relating to state lands; modifying fee provisions for certain state land transfers; adding land to state parks; authorizing sales and conveyances of certain state lands; deauthorizing Upper Sioux Agency State Park; appropriating money; amending Minnesota Statutes 2022, sections 85.015, subdivision 1b; 94.343, subdivision 8a; 94.3495, by adding a subdivision; repealing Minnesota Statutes 2022, sections 85.012, subdivisions 27b, 58; 138.662, subdivision 33.

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

REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2759, 3502, 4480, 4271, and 4780. The motion prevailed.

Senator Latz from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2759: A bill for an act relating to domestic relations; modifying parenting time provisions; amending Minnesota Statutes 2022, sections 257.025; 518.131, subdivisions 1, 11; 518.14; 518.17, subdivisions 1, 3; 518.175, subdivisions 1, 6.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1**PARENTING TIME**

Section 1. Minnesota Statutes 2022, section 257.025, is amended to read:

257.025 CUSTODY AND PARENTING TIME DISPUTES.

(a) In any custody or parenting time proceeding involving unmarried parents, the court shall consider section 518.175 and evaluate all relevant factors in section 518.17, subdivision 1, to determine the best interests of the child.

(b) The fact that the parents of the child are not or were never married to each other shall not be determinative of the custody and parenting time of the child.

(c) A person may seek custody of a child by filing a petition or motion pursuant to section 518.156.

(d) Section 518.619 applies to this section.

Sec. 2. [518.001] PUBLIC POLICY STATEMENT.

The public policy of this state is to:

(1) ensure that each child has frequent and substantial contact with the child's parents, as long as the child's parents have shown the ability to act in the best interests of the child;

(2) ensure that parents and caregivers provide a safe and nurturing environment for each child;
and

(3) encourage parents to share the rights and duties of raising their child.

Sec. 3. Minnesota Statutes 2022, section 518.131, subdivision 1, is amended to read:

Subdivision 1. **Permissible orders.** In a proceeding brought for custody, dissolution, or legal separation, or for disposition of property, maintenance, or child support following the dissolution of a marriage, either party may, by motion, request from the court and the court may grant a temporary order pending the final disposition of the proceeding to or for:

(a) Temporary custody and parenting time regarding the minor children of the parties. In addition to the requirements under section 518.17, subdivision 1, the court must consider the child's parenting time with each parent before the pending action commenced. If the child's access to a parent was limited or restricted before the action commenced, the court must determine the child's custody and parenting time in a manner that supports the child's opportunity to develop a relationship with both parents in accordance with sections 518.17 and 518.175;

(b) Temporary maintenance of either spouse;

(c) Temporary child support for the children of the parties;

(d) Temporary costs and reasonable attorney fees;

(e) Award the temporary use and possession, exclusive or otherwise, of the family home, furniture, household goods, automobiles, and other property of the parties;

(f) Restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(g) Restrain one or both parties from harassing, vilifying, mistreating, molesting, disturbing the peace, or restraining the liberty of the other party or the children of the parties;

(h) Restrain one or both parties from removing any minor child of the parties from the jurisdiction of the court;

(i) Exclude a party from the family home of the parties or from the home of the other party; and

(j) Require one or both of the parties to perform or to not perform such additional acts as will facilitate the just and speedy disposition of the proceeding, or will protect the parties or their children from physical or emotional harm.

Sec. 4. Minnesota Statutes 2022, section 518.131, subdivision 11, is amended to read:

Subd. 11. ~~Temporary support and maintenance~~ **Cases given priority for temporary relief.** ~~Temporary support and maintenance may be ordered during the time a parenting plan is being developed under section 518.1705.~~ (a) While the proceeding is pending, the court must give priority to scheduling and holding an expedited hearing for temporary relief when a party credibly alleges that:

(1) the party has been denied parenting time with a child for 14 consecutive days or more; or

(2) the party has been unreasonably denied access to necessary financial resources or support during a pending marital dissolution.

(b) A court must hold a priority hearing under this subdivision within 30 days of the party's request.

(c) A court must consider credible allegations of domestic abuse, substance abuse, maltreatment findings, or neglect as a reasonable basis for a party who has denied parenting time to the other party.

(d) If temporary parenting time is ordered, the court may also order temporary child support if requested by the other party.

Sec. 5. Minnesota Statutes 2022, section 518.14, is amended to read:

518.14 COSTS AND DISBURSEMENTS; ATTORNEY FEES; COLLECTION COSTS.

Subdivision 1. **General.** Except as provided in section 518A.735, in a proceeding under this chapter or chapter 518A, the court shall award attorney fees, costs, and disbursements in an amount necessary to enable a party to carry on or contest the proceeding, provided it finds:

(1) that the fees are necessary for the good faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;

(2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and

(3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

Subd. 1a. **Other award.** Nothing in this section or section 518A.735 precludes The court from ~~awarding~~ may award, in its discretion, additional fees, costs, and disbursements against a party who unreasonably contributes to the length or expense of the proceeding or whose unreasonable failure to comply with an order or decree causes the other party to seek enforcement or other relief, including the reimbursement of fees and costs incurred before filing a motion. In determining whether to award fees, the court must consider the circumstances and any other factors that contributed to the length or expense of the proceeding. Fees, costs, and disbursements provided for in this section and section 518A.735 may be awarded at any point in the proceeding, including a modification proceeding under sections 518.18 and 518A.39. The court may adjudge costs and disbursements against either party. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Sec. 6. Minnesota Statutes 2022, section 518.17, subdivision 1, is amended to read:

Subdivision 1. **Best interests of the child.** (a) In evaluating the best interests of the child for purposes of determining issues of custody and parenting time, the court must consider and evaluate all relevant factors, including:

(1) a child's physical, emotional, cultural, spiritual, and other needs, and the effect of the proposed arrangements on the child's needs and development;

(2) any special medical, mental health, developmental disability, or educational needs that the child may have that may require special parenting arrangements or access to recommended services;

(3) the reasonable preference of the child, if the court deems the child to be of sufficient ability, age, and maturity to express an independent, reliable preference;

(4) whether domestic abuse, as defined in section 518B.01, has occurred in the parents' or either parent's household or relationship; the nature and context of the domestic abuse; and the implications of the domestic abuse for parenting and for the child's safety, well-being, and developmental needs;

(5) any physical, mental, or chemical health issue of a parent that affects the child's safety or developmental needs;

(6) the history and nature of each parent's participation in providing care for the child;

(7) the willingness and ability of each parent to provide ongoing care for the child; to meet the child's ongoing developmental, emotional, spiritual, and cultural needs; and to maintain consistency and follow through with parenting time;

(8) the effect on the child's well-being and development of changes to home, school, and community;

(9) the effect of the proposed arrangements on the ongoing relationships between the child and each parent, siblings, and other significant persons in the child's life;

(10) the benefit to the child in maximizing parenting time with both parents and the detriment to the child in limiting parenting time with either parent;

(11) except in cases in which domestic abuse as described in clause (4) has occurred, the disposition of each parent to support the child's relationship with the other parent and to encourage and permit frequent and continuing contact between the child and the other parent; and

(12) the willingness and ability of parents to cooperate in the rearing of their child; to maximize sharing information and minimize exposure of the child to parental conflict; and to utilize methods for resolving disputes regarding any major decision concerning the life of the child.

(b) Clauses (1) to (9) govern the application of the best interests of the child factors by the court:

(1) The court must make detailed findings on each of the factors in paragraph (a) based on the evidence presented and explain how each factor led to its conclusions and to the determination of custody and parenting time. The court may not use one factor to the exclusion of all others, and the court shall consider that the factors may be interrelated.

(2) The court shall consider that it is in the best interests of the child to promote the child's healthy growth and development through safe, stable, nurturing relationships between a child and both parents. In determining custody, the court must consider the best interests of the child and must not prefer one parent over the other solely on the basis of the gender of the parent.

(3) The court shall consider both parents as having the capacity to develop and sustain nurturing relationships with their children unless there are substantial reasons to believe otherwise. In assessing whether parents are capable of sustaining nurturing relationships with their children, the court shall recognize that there are many ways that parents can respond to a child's needs with sensitivity and provide the child love and guidance, and these may differ between parents and among cultures.

(4) The court shall not consider conduct of a party that does not affect the party's relationship with the child.

(5) Disability alone, as defined in section 363A.03, of a proposed custodian or the child shall not be determinative of the custody of the child.

(6) The court shall consider evidence of a violation of section 609.507 in determining the best interests of the child.

(7) There is no presumption for or against joint physical custody, except as provided in clause (9).

(8) Joint physical custody does not require an absolutely equal division of time.

(9) The court shall use a rebuttable presumption that upon request of either or both parties, joint legal custody is in the best interests of the child. However, the court shall use a rebuttable presumption that joint legal custody or joint physical custody is not in the best interests of the child if domestic abuse, as defined in section 518B.01, has occurred between the parents. In determining whether the presumption is rebutted, the court shall consider the nature and context of the domestic abuse and the implications of the domestic abuse for parenting and for the child's safety, well-being, and developmental needs. Disagreement alone over whether to grant sole or joint custody does not constitute an inability of parents to cooperate in the rearing of their children as referenced in paragraph (a), clause (12).

(c) In a proceeding involving the custodial responsibility of a service member's child, a court may not consider only a parent's past deployment or possible future deployment in determining the best interests of the child. For purposes of this paragraph, "custodial responsibility" has the meaning given in section 518E.102, paragraph (f).

Sec. 7. Minnesota Statutes 2022, section 518.17, subdivision 3, is amended to read:

Subd. 3. **Custody order.** (a) Upon adjudging the nullity of a marriage, or in a dissolution or separation proceeding, or in a child custody proceeding, the court shall make such further order as it deems just and proper concerning:

(1) the legal custody of the minor children of the parties ~~which~~ that shall be sole or joint;

(2) their physical custody, parenting time, and residence; and

(3) their support. ~~In determining custody, the court shall consider the best interests of each child and shall not prefer one parent over the other solely on the basis of the sex of the parent.~~

(b) The court shall grant the rights listed in subdivision 3a to each of the parties, regardless of custodial designation, unless specific findings are made under section 518.68, subdivision 1. The court shall include in the custody order the notice under subdivision 3a.

(c) The court may waive any of the rights under this section if it finds it is necessary to protect the welfare of a party or child.

(d) If a court order or law prohibits contact by a party, the notifications and information required to be sent under subdivision 3a, clauses (1), (2), (3), (5), and (6), shall not be made by direct communication of the parties. Third-party communication shall be limited to the specific purposes delineated in this subdivision or subdivision 3a. Nothing in this subdivision or subdivision 3a shall modify, suspend, revoke, or terminate a court order or law that prohibits contact by a party.

(e) If one of the parties is a program participant under chapter 5B, the other party shall send all information and notifications required under subdivision 3a, clauses (1), (2), (3), (5), and (6), to the participant's designated address. The program participant is exempted from the requirements of subdivision 3a.

(f) Failure to notify or inform a party of rights under subdivision 3a does not form a basis for modification under section 518.18, paragraph (d), clause (iv), unless other grounds are alleged which would support a modification.

Sec. 8. Minnesota Statutes 2022, section 518.175, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such parenting time on behalf of the child and a parent as will enable the child and the parent to maintain a child to parent relationship that will be in the best interests of the child. The court, when issuing a parenting time order, may reserve a determination as to the future establishment or expansion of a parent's parenting time. In that event, the best interest standard set forth in subdivision 5, paragraph (a), shall be applied to a subsequent motion to establish or expand parenting time.

(b) If the court finds, after a hearing, that parenting time with a parent is likely to endanger the child's physical, mental, or emotional health or safety or impair the child's emotional development, the court shall restrict parenting time with that parent as to time, place, duration, or supervision and may deny parenting time entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the parent prior to the commencement of the proceeding.

(c) A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of parenting time.

(d) The court may provide that a law enforcement officer or other appropriate person will accompany a party seeking to enforce or comply with parenting time.

(e) Upon request of either party, to the extent practicable an order for parenting time must include a specific schedule for regular parenting time, including the frequency and duration of ~~visitation~~ parenting time and ~~visitation parenting time~~ parenting time during holidays and, vacations, and school breaks unless parenting time is restricted, denied, or reserved.

(f) The court administrator shall provide a form for a pro se motion regarding parenting time disputes, which includes provisions for indicating the relief requested, an affidavit in which the party may state the facts of the dispute, and a brief description of the parenting time expeditor process under section 518.1751. The form may not include a request for a change of custody. The court shall provide instructions on serving and filing the motion.

(g) In the absence of other evidence, there is a rebuttable presumption that a ~~parent is entitled to child must~~ receive a minimum of at least 25 percent of the parenting time for the child with each parent. For purposes of this paragraph, the percentage of parenting time may be determined by calculating the number of overnights that a child spends with a parent or by using a method other than overnights if the parent has significant time periods on separate days when the child is in the parent's physical custody but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time.

Sec. 9. Minnesota Statutes 2022, section 518.175, subdivision 6, is amended to read:

Subd. 6. **Remedies.** (a) Each party must follow a court's order for custody and parenting time unless the parties have made another agreement in writing as defined by section 645.44, subdivision 14.

(b) For the purposes of this subdivision, "court-ordered parenting time" means:

(1) parenting time that a court has ordered, regardless of whether the order is temporary or permanent and whether family court or juvenile court has issued the order;

(2) an order by a parenting time consultant, parenting coordinator, special master, or other court-appointed individual who is authorized to establish or modify parenting time; or

(3) a binding agreement or decision under section 518.1751, subdivision 3.

~~(a)~~ (c) The court may provide shall fully consider providing compensatory parenting time when a parent has intentionally made a substantial amount of court-ordered parenting time has been made unavailable to one the other parent unless providing the compensatory parenting time is not consistent with the child's best interests. The court must consider all relevant evidence to determine whether a parent has made a substantial amount of court-ordered parenting time unavailable to the other parent.

~~(b) The court shall provide for one of the remedies as provided under this subdivision for (1) a repeated and intentional denial of or interference with court-ordered parenting time, or (2) a repeated and intentional failure to comply with a binding agreement or decision under section 518.1751.~~

~~(e)~~ (d) If the court finds that a person has been deprived of court-ordered parenting time under paragraph (b), the court shall order the parent who has interfered to allow compensatory parenting

time to the other parent. When compensatory parenting time is awarded, additional parenting time must be:

- (1) at least of the same type and duration as the deprived parenting time and, at the discretion of the court, may be in excess of or of a different type than the deprived parenting time;
- (2) taken within one year after the deprived parenting time; and
- (3) at a time acceptable to the parent deprived of parenting time.

~~(d)~~ (e) If the court finds that a party has repeatedly and intentionally denied or interfered with court-ordered parenting time ~~or failed to comply with a binding agreement or decision under section 518.1751~~, the court ~~may~~ must, in addition to awarding compensatory parenting time ~~under paragraph (e)~~, require the party to reimburse the other party for costs incurred as a result of the party's denial of or interference with court-ordered parenting time and award reasonable attorney fees to the other party, provided that the court finds that the party from whom fees, costs, and disbursements are sought has the means to pay them. The court may:

(1) impose a civil penalty sanction of up to \$500 ~~on~~ against the party who denied or interfered with parenting time that is payable to the other party;

(2) modify legal and physical custody of the child by awarding custody of the child to the party whose parenting time was denied or interfered with, in accordance with the procedures under section 518.18; or

~~(2) require the party to post a bond with the court for a specified period of time to secure the party's compliance;~~

~~(3) award reasonable attorney's fees and costs;~~

~~(4) require the party who violated the parenting time order or binding agreement or decision of the parenting time expeditor to reimburse the other party for costs incurred as a result of the violation of the order or agreement or decision; or~~

~~(5)~~ (3) award any other remedy that the court finds to be in the best interests of the children involved.

~~A civil penalty imposed under this paragraph must be deposited in the county general fund and must be used to fund the costs of a parenting time expeditor program in a county with this program. In other counties, the civil penalty must be deposited in the state general fund.~~

~~(e)~~ (f) The court shall provide one or more of the remedies available in paragraph ~~(d)~~ (e), clauses (1) to (5) and (2), if ~~one of the following occurs:~~

~~(1)~~ (1) the court finds that a party has repeatedly and intentionally denied or interfered with court-ordered parenting time after a previous finding that the party repeatedly and intentionally denied or interfered with court-ordered parenting time; ~~or,~~

~~(2) the court finds that a party has failed to comply with a binding agreement or decision under section 518.1751 after a previous finding that the party failed to comply with a binding agreement or decision under section 518.1751.~~

~~(f)~~ (g) If the court makes written findings that any denial of or interference with court-ordered parenting time ~~or the failure to comply with a binding agreement or decision under section 518.1751~~ was necessary to protect a child's physical or emotional health, the court is not required to comply with paragraphs ~~(b) to (e)~~ (d) to (f).

~~(g)~~ (h) If the court finds that a party has been denied parenting time and has incurred expenses in connection with the denied parenting time, the court may require the party who denied parenting time to post a bond in favor of the other party in the amount of prepaid expenses associated with upcoming planned parenting time.

~~(h)~~ (i) Proof of an unwarranted denial of or interference with duly established parenting time may constitute contempt of court and may be sufficient cause for reversal of custody.

~~(i)~~ (j) All parenting time orders must include notice of the provisions of this subdivision.

(k) The required notice under paragraph (j) must be substantially as follows:

"NOTICE REGARDING COMPLIANCE WITH PARENTING TIME ORDER:

The parties are expected to fully comply with the court's order unless the parties mutually agree otherwise in writing as defined by Minnesota Statutes, section 645.44, subdivision 14. Pursuant to Minnesota Statutes, section 518.175, subdivision 6, and Minnesota Statutes, section 518.131, subdivision 11, the parties are hereby notified that:

(1) The court shall award compensatory parenting time to a parent who has been prevented from exercising parenting time.

(2) Deprivation of parental rights is a FELONY crime pursuant to Minnesota Statutes, section 609.375.

(3) If the court finds that one parent has repeatedly and intentionally denied or interfered with another parent's parenting time, then the court shall award attorney fees to the parent who has been denied parenting time and require the parent who has been denying or interfering with parenting time to pay the other parent for costs incurred as a result of enforcing the decision.

(4) If the court finds that one parent has repeatedly and intentionally denied or interfered with parenting time, then the court may also:

(i) transfer custody of the child to the other parent;

(ii) impose a sanction of up to \$500 on the parent who repeatedly and intentionally denied or interfered with parenting time; or

(iii) award other relief as determined to be in the best interests of the children involved."

(l) An order issued under this section requiring reimbursement of costs or fees does not require a party to have direct contact with another party.

ARTICLE 2

SPOUSAL MAINTENANCE

Section 1. Minnesota Statutes 2022, section 518.552, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) lacks sufficient property, including marital property apportioned to the spouse, to provide for reasonable needs of the spouse considering the standard of living established during the marriage, especially, but not limited to, a period of training or education, ~~or~~;

(b) is unable to provide adequate self-support, after considering the standard of living established during the marriage and all relevant circumstances, ~~through appropriate employment~~; or

(c) is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside the home.

Sec. 2. Minnesota Statutes 2022, section 518.552, subdivision 2, is amended to read:

Subd. 2. **Amount; duration of maintenance.** The maintenance order shall be in amounts and for periods of time, either ~~temporary~~ transitional or ~~permanent~~ indefinite, as the court deems just, without regard to marital misconduct, and after considering all relevant factors including:

(a) the financial resources of the party seeking maintenance, including marital property apportioned to the party, and the party's ability to meet needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) the time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, and the probability, given the party's age and skills, of completing education or training and becoming fully or partially self-supporting;

(c) the standard of living established during the marriage and the extent to which the standard of living was funded by debt;

(d) the duration of the marriage and, ~~in the case of a homemaker,~~ the earnings, seniority, benefits, and other employment opportunities forgone by the spouse seeking maintenance to support the other spouse or children and the length of absence from employment and the extent to which any education, skills, or experience have become outmoded and earning capacity has become permanently diminished;

~~(e) the loss of earnings, seniority, retirement benefits, and other employment opportunities forgone by the spouse seeking spousal maintenance;~~

~~(f) (e) the age, and the physical and emotional condition, mental, or chemical health of the spouse seeking maintenance both spouses;~~

~~(g) (f) the ability of the spouse from whom maintenance is sought to meet needs while meeting those of the spouse seeking maintenance; and~~

~~(h) (g) the contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker or in furtherance of the other party's employment or business; and~~

(h) the need and ability of each spouse to prepare for retirement and the anticipated time of retirement.

Sec. 3. Minnesota Statutes 2022, section 518.552, subdivision 3, is amended to read:

Subd. 3. ~~**Permanency of award**~~ **Duration of maintenance.** ~~Nothing in this section shall be construed to favor a temporary award of maintenance over a permanent award, where the factors under subdivision 2 justify a permanent award.~~

~~Where there is some uncertainty as to the necessity of a permanent award, the court shall order a permanent award leaving its order open for later modification. (a) A maintenance award may be transitional or indefinite. An award of temporary maintenance issued before August 1, 2024, is deemed transitional maintenance. An award of permanent maintenance issued before August 1, 2024, is deemed indefinite maintenance. Maintenance awarded during the pendency of an initial proceeding for dissolution or legal separation pursuant to section 518.131 is deemed temporary maintenance.~~

(b) For purposes of this subdivision, "length of the marriage" means the period from the date of the marriage until the date of the commencement of the action.

(c) The court must determine the duration of maintenance based on the length of the marriage as follows:

(1) when the length of the marriage is less than five years, it is rebuttably presumed that no maintenance should be awarded;

(2) when the length of the marriage is at least five years and less than 20 years, it is rebuttably presumed that transitional maintenance should be awarded with a duration of no longer than one-half the length of the marriage if the factors set forth in subdivision 1 support an award of maintenance; and

(3) when the length of the marriage is 20 years or more, it is rebuttably presumed that indefinite maintenance should be awarded if the factors set forth in subdivision 1 support an award of maintenance.

Sec. 4. Minnesota Statutes 2022, section 518.552, is amended by adding a subdivision to read:

Subd. 5a. **Maintenance on death or remarriage.** Unless otherwise agreed in writing or expressly provided in the decree, the obligation to pay future maintenance is terminated upon the death of either party or the remarriage of the party receiving maintenance.

Sec. 5. Minnesota Statutes 2022, section 518.552, is amended by adding a subdivision to read:

Subd. 5b. **Modification.** (a) Upon the motion of either of the parties, the court may modify the amount and duration of maintenance and may issue an order that the court might have issued in the original proceeding, except as otherwise provided in this subdivision.

(b) The terms of a maintenance order may be modified upon a showing of one or more of the following circumstances that make the terms of the existing order unreasonable and unfair:

(1) substantially increased or decreased gross income of an obligor or obligee;

(2) substantially increased or decreased need of an obligor or obligee; or

(3) substantial changes in the federal or state tax laws that affect spousal maintenance.

(c) Upon a motion to modify maintenance, including a motion to extend the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under subdivisions 1 to 3 that exist at the time of the motion.

(d) Unless the court adopts an alternative effective date under paragraph (f), a modification of maintenance, including interest that accrued pursuant to section 548.091, may be made retroactive:

(1) for any period during which the petitioning party has a motion for modification that is pending;

(2) from the date that the notice of the motion to modify was served on the responding party;

(3) from the date that the notice of the motion to modify was served on the public authority if public assistance is being received; or

(4) from the date that the notice of the motion to modify was served on the county attorney if the county attorney is the attorney of record.

(e) The court need not hold an evidentiary hearing on a motion to modify maintenance.

(f) The court may select an alternative effective date for a maintenance order if the parties enter into a binding agreement for an alternative effective date. The court's adoption of an alternative effective date under this paragraph must not be considered a retroactive modification of maintenance.

Sec. 6. Minnesota Statutes 2022, section 518.552, subdivision 6, is amended to read:

Subd. 6. **Cohabitation.** (a) Spousal maintenance may be modified pursuant to ~~section 518A.39, subdivision 2,~~ subdivision 5b based on the cohabitation by the maintenance obligee with another adult following dissolution of the marriage. The modification may consist of a reduction, suspension, reservation, or termination of maintenance. In determining if maintenance should be modified due to cohabitation, the court shall consider:

- (1) whether the obligee would marry the cohabitant but for the maintenance award;
- (2) the economic benefit the obligee derives from the cohabitation;
- (3) the length of the cohabitation and the likely future duration of the cohabitation; and
- (4) the economic impact on the obligee if maintenance is modified and the cohabitation ends.

(b) The court must not modify a maintenance award based solely on cohabitation if a marriage between the obligee and the cohabitant would be prohibited under section 517.03, subdivision 1, clause (2) or (3). A modification under this subdivision must be precluded or limited to the extent the parties have entered into a private agreement under subdivision 5.

(c) A motion to modify a spousal maintenance award on the basis of cohabitation may not be brought within one year of the date of entry of the decree of dissolution or legal separation that orders spousal maintenance, unless the parties have agreed in writing that a motion may be brought or the court finds that failing to allow the motion to proceed would create an extreme hardship for one of the parties.

Sec. 7. Minnesota Statutes 2022, section 518.552, is amended by adding a subdivision to read:

Subd. 7. **Retirement.** (a) If a party retires, spousal maintenance may be modified. The modification of maintenance may consist of a reduction, suspension, reservation, or termination of maintenance.

(b) In determining if maintenance should be modified due to a party's retirement, the court shall consider:

(1) whether the retirement is in good faith or is an unjustifiable self-limitation of income;

(2) whether the party has attained the age to receive the party's full retirement benefits under section 216 of the Social Security Act, United States Code, title 42, section 416, or the customary age for retirement in the party's occupation;

(3) whether a party has reasonably and prudently managed the party's assets since the dissolution of the marriage; and

(4) the financial resources available to both parties.

(c) It is presumed that when a party has attained the age to receive the party's full retirement benefits under section 216 of the Social Security Act, United States Code, title 42, section 416, or the customary age for retirement in the party's occupation, the party will use both income and assets to meet the party's needs.

(d) A party must not be presumed to have retired in bad faith or to have unjustifiably self-limited the party's income in the event that the party's retirement is occurring on or after the party attains the age to receive full retirement benefits under section 216 of the Social Security Act, United States Code, title 42, section 416, or the customary age for retirement in the party's occupation.

(e) A motion to modify maintenance due to retirement may be brought before a party actually retires provided that the moving party specifies the date by which the party's retirement will occur. The court may then make the modification effective as of the actual date of retirement.

Sec. 8. Minnesota Statutes 2022, section 518.552, is amended by adding a subdivision to read:

Subd. 8. **Form.** The state court administrator's office shall prepare and make available to court administrators, obligors, and persons to whom spousal maintenance is owed a form to be submitted in support of a motion for a modification of an order for maintenance or for contempt of court.

Sec. 9. Minnesota Statutes 2022, section 518A.39, subdivision 1, is amended to read:

Subdivision 1. **Authority.** After an order under this chapter or chapter 518 for ~~maintenance or support money, temporary or permanent~~ child support, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on motion of either of the parties, a copy of which is served on the public authority responsible for child support enforcement if payments are made through it, or on motion of the public authority responsible for support enforcement, modify the order respecting the amount of ~~maintenance or support money~~ or medical support, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided. A party or the public authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments.

Sec. 10. Minnesota Statutes 2023 Supplement, section 518A.39, subdivision 2, is amended to read:

Subd. 2. **Modification.** (a) The terms of an order respecting ~~maintenance or~~ child support may be modified upon a showing of one or more of the following, any of which makes the terms unreasonable and unfair: (1) substantially increased or decreased gross income of an obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to 256B.39, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the federal Bureau of Labor Statistics; (5) extraordinary medical expenses of the child not provided for under section 518A.41; (6) a change in the availability of appropriate health care coverage or a substantial increase or decrease in health care coverage costs; (7) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (8) upon the emancipation of the child, as provided in subdivision 5.

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section 518A.35, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$75 per month higher or lower than the current support order or, if the current support order is less than \$75, it results in a calculated court order that is at least 20 percent per month higher or lower;

(2) the medical support provisions of the order established under section 518A.41 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section 518A.41 is not available to the child for whom the order is established by the parent ordered to provide;

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount;

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party; or

(6) a deviation was granted based on the factor in section 518A.43, subdivision 1, clause (4), and the child no longer resides in a foreign country or the factor is otherwise no longer applicable.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing order. Section 518A.33 shall be considered if other grounds are alleged which allow a modification of support.

(d) If child support was established by applying a parenting expense adjustment or presumed equal parenting time calculation under previously existing child support guidelines and there is no parenting plan or order from which overnights or overnight equivalents can be determined, there is a rebuttable presumption that the established adjustment or calculation will continue after modification so long as the modification is not based on a change in parenting time. In determining an obligation under previously existing child support guidelines, it is presumed that the court shall:

(1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's share of the combined basic support obligation calculated under section 518A.34, paragraph (b), clause (5), by 0.88; or

(2) if the parenting time was presumed equal but the parents' parental incomes for determining child support were not equal:

(i) multiply the combined basic support obligation under section 518A.34, paragraph (b), clause (5), by 0.75;

(ii) prorate the amount under item (i) between the parents based on each parent's proportionate share of the combined PICS; and

(iii) subtract the lower amount from the higher amount.

(e) ~~On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion.~~ On a motion for modification of support, the court:

(1) shall apply section 518A.35, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(f) A modification of support ~~or maintenance~~, including interest that accrued pursuant to section 548.091, may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record, unless the court adopts an alternative effective date under paragraph (l). The court's adoption of an alternative effective date under paragraph (l) shall not be considered a retroactive modification of maintenance or support.

(g) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518A.71.

(h) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions brought under this subdivision.

(j) An enactment, amendment, or repeal of law constitutes a substantial change in the circumstances for purposes of modifying a child support order when it meets the standards for modification in this section.

(k) On the first modification following implementation of amended child support guidelines, the modification of basic support may be limited if the amount of the full variance would create

hardship for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility for assistance under chapter 256J.

(l) The court may select an alternative effective date for a maintenance or support order if the parties enter into a binding agreement for an alternative effective date.

Sec. 11. **REPEALER.**

Minnesota Statutes 2022, section 518A.39, subdivision 3, is repealed.

ARTICLE 3

ANTENUPTIAL AND POSTNUPTIAL AGREEMENTS

Section 1. Minnesota Statutes 2022, section 519.11, is amended to read:

519.11 ANTENUPTIAL AND POSTNUPTIAL CONTRACTS AGREEMENTS.

Subdivision 1. **Antenuptial contract agreement.** ~~A man and woman~~ (a) Two individuals of legal age may enter into an antenuptial contract or settlement agreement prior to the solemnization of marriage which shall be valid and enforceable if (a) there is a full and fair disclosure of the earnings and property of each party, and (b) the parties have had an opportunity to consult with legal counsel of their own choice. An antenuptial contract or settlement the agreement meets the procedural and substantive fairness requirements under subdivisions 1b and 1c.

(b) An antenuptial agreement made in conformity with this section may:

(1) determine what rights each party has in the marital and nonmarital property, as those terms are defined in section 518.003, subdivision 3b, upon a dissolution of marriage, or legal separation or after its termination by death and;

(2) provide for spousal maintenance, as defined in section 518.003, subdivision 3a;

(3) determine the rights that each party has in the estate of the other as otherwise conferred upon them by chapter 524; and

(4) may bar each other of all rights in the respective estates not so secured to them by their agreement. This section shall not be construed to make invalid or unenforceable any antenuptial agreement or settlement made and executed in conformity with this section because the agreement or settlement covers or includes marital property, if the agreement or settlement would be valid and enforceable without regard to this section.

(c) The marriage itself is adequate consideration for an agreement made in conformity with this section.

(d) An agreement duly acknowledged and attested is prima facie proof of the matters acknowledged in the agreement.

(e) If an antenuptial agreement unambiguously permits severability, the court may sever any unenforceable provision and enforce the remaining provisions of the agreement.

Subd. 1a. **Postnuptial contract.** (a) Spouses who are legally married under the laws of this state may enter into a postnuptial contract or settlement which is valid and enforceable if it:

(1) complies with the requirements for antenuptial contracts or settlements in this section and in the law of this state, including, but not limited to, the requirement that it be procedurally and substantively fair and equitable both at the time of its execution and at the time of its enforcement; and

(2) complies with the requirements for postnuptial contracts or settlements in this section.

(b) A postnuptial contract or settlement that conforms with this section may determine all matters that may be determined by an antenuptial contract or settlement under the law of this state, except that a postnuptial contract or settlement may not determine the rights of any child of the spouses to child support from either spouse or rights of child custody or parenting time.

(c) A postnuptial contract or settlement is valid and enforceable only if at the time of its execution each spouse is represented by separate legal counsel.

(d) A postnuptial contract or settlement is presumed to be unenforceable if either party commences an action for a legal separation or dissolution within two years of the date of its execution, unless the spouse seeking to enforce the postnuptial contract or settlement can establish that the postnuptial contract or settlement is fair and equitable.

(e) Nothing in this section shall impair the validity or enforceability of a contract, agreement, or waiver which is entered into after marriage and which is described in chapter 524, article 2, part 2, further, a conveyance permitted by section 500.19 is not a postnuptial contract or settlement under this section.

Subd. 1b. **Procedural fairness.** (a) For purposes of this subdivision, "full and fair disclosure" means that each party has provided a reasonably accurate description of all material facts of their income and good faith estimates of the value of their property and discloses the basis for these disclosures. A party must not waive the full and fair disclosure requirement under paragraph (b), clause (1).

(b) An antenuptial agreement is procedurally fair if:

(1) there is full and fair disclosure of the current income and property of each party;

(2) each party has had a meaningful opportunity to consult with independent legal counsel of the party's choosing;

(3) the agreement is in writing, executed in the presence of two witnesses, and acknowledged by the parties before a person authorized to administer an oath under the laws of this state;

(4) the agreement is entered into voluntarily and free of duress; and

(5) the agreement is entered into and executed no less than seven days before the marriage.

(c) An agreement entered into and executed at least seven days before the date of marriage is presumed enforceable and the burden of proof is on the party seeking to set aside the agreement.

An agreement that is entered into and executed less than seven days before the marriage is not presumed enforceable, and the proponent of the agreement has the burden of proof.

(d) A power of attorney does not satisfy the requirements of paragraph (b), clause (3).

Subd. 1c. **Substantive fairness.** (a) In determining if an agreement under this section is substantively fair, the court shall consider whether all or part of the agreement is substantively unfair as to be unconscionable to a party either by the agreement's terms or as the result of drastically changed circumstances originally not foreseen when the agreement was created, such that enforcement would no longer comport with the reasonable expectations of the parties at the time that the parties executed the agreement.

(b) The agreement need not approximate a division of marital or nonmarital property, or award of spousal maintenance, consistent with statutory law regarding property division or spousal maintenance. A deviation from statutory standards does not in itself make an agreement unconscionable.

Subd. 1d. **Postnuptial agreement.** (a) Spouses who are legally married under the laws of this state may enter into a postnuptial agreement, which is valid and enforceable if the agreement:

(1) complies with the requirements for antenuptial agreements in this section and in the laws of this state, including but not limited to the requirement that the agreement be procedurally and substantively fair except that subdivision 1b, paragraph (b), clause (5), does not apply; and

(2) complies with the requirements for postnuptial agreements in this section.

(b) A postnuptial agreement that conforms with this section may determine all matters that may be determined by an antenuptial agreement under the law of this state.

(c) A postnuptial agreement is valid and enforceable only if at the time of its execution each spouse is represented by separate legal counsel.

(d) A postnuptial agreement is presumed to be unenforceable if either party commences an action for a legal separation or dissolution within two years of the date of the agreement's execution, unless the spouse seeking to enforce the postnuptial agreement can establish that the postnuptial agreement is fair and equitable.

(e) Nothing in this section impairs the validity or enforceability of a contract, agreement, or waiver that is entered into after marriage and that is described in sections 524.2-201 to 524.2-215. Further, a conveyance permitted by section 500.19 is not a postnuptial agreement under this section.

~~Subd. 2. **Writing; execution.** Antenuptial or postnuptial contracts or settlements shall be in writing, executed in the presence of two witnesses and acknowledged by the parties, executing the same before any officer or person authorized to administer an oath under the laws of this state. An antenuptial contract must be entered into and executed prior to the day of solemnization of marriage. A power of attorney may not be used to accomplish the purposes of this section.~~

Subd. 2a. **Amendment or revocation.** An antenuptial ~~contract or settlement~~ agreement may be amended or revoked after the marriage of the parties only by a valid postnuptial ~~contract or settlement~~ agreement

~~which agreement that~~ complies with this section and with the laws of this state. A postnuptial ~~contract or settlement agreement~~ may be amended or revoked only by a later, valid postnuptial ~~contract or settlement~~ which agreement that complies with this section and with the laws of this state.

Subd. 3. ~~**Filing; recording.**~~ An antenuptial or postnuptial ~~contract or settlement~~ which by its terms conveys or determines what rights each has in the other's real property and sets forth the legal description of the real estate granted or affected by the agreement may be filed or recorded in every county where any real estate so described is situated, in the office of the county recorder for the county or in any public office authorized to receive a deed, assignment or other instrument affecting the real estate, for filing or recording.

Subd. 4. ~~**Effect of recording.**~~ Any antenuptial or postnuptial ~~contract or settlement~~ not recorded in the office of the county recorder or other public office authorized to receive the document, where the real property is located, shall be void as against any subsequent purchaser in good faith and for a valuable consideration of the same real property, or any part thereof, whose conveyance is first duly recorded, and as against any attachment levied thereon or any judgment lawfully obtained at the suit of any party against the person in whose name the title to the property appears of record prior to recording of the conveyance.

Subd. 5. ~~**Evidence; burden of proof.**~~ An antenuptial or postnuptial ~~contract or settlement~~ duly acknowledged and attested shall be prima facie proof of the matters acknowledged therein and as to those matters, the burden of proof shall be and rest upon the person contesting the same.

Subd. 6. ~~**Effective date Application.**~~ This section shall ~~apply~~ applies to all antenuptial ~~contracts and settlements executed on or after August 1, 1979,~~ and shall ~~apply to all postnuptial contracts and settlements executed on or after August 1, 1994~~ agreements executed on or after August 1, 2024.

Subd. 7. ~~**Effect of sections 519.01 to 519.101.**~~ Nothing in sections 519.01 to 519.101, shall be construed to affect antenuptial or postnuptial ~~contracts or settlements~~ agreements.

~~**EFFECTIVE DATE.**~~ This section is effective August 1, 2024, and applies to agreements executed on or after that date. An antenuptial agreement entered into before August 1, 2024, shall not be invalidated based on the same sex of the parties to the agreement.

Sec. 2. REVISOR INSTRUCTION.

The revisor of statutes shall change the terms "husband," "wife," "husband and wife," and "husband or wife" to "spouse," "spouses," or a similar gender-neutral term wherever the terms appear in Minnesota Statutes, unless the context indicates that the previous term should remain. The revisor of statutes shall also make grammatical changes related to the changes in terms.

ARTICLE 4

ASSISTED REPRODUCTION

Section 1. [257E.10] DEFINITIONS.

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

Subd. 2. **Assisted reproduction.** "Assisted reproduction" means a method of causing pregnancy other than sexual intercourse. The term includes:

- (1) intrauterine, intracervical, or vaginal insemination;
- (2) donation of gametes;
- (3) donation of embryos;
- (4) in vitro fertilization and transfer of embryos; and
- (5) intracytoplasmic sperm injection.

Assisted reproduction does not include the use of a surrogate or a surrogacy agreement.

Subd. 3. **Birth.** "Birth" includes fetal deaths reportable under section 144.222.

Subd. 4. **Determination of parentage.** "Determination of parentage" means establishment of a parent-child relationship by a judicial proceeding or signing of a valid recognition of parentage under section 257.75.

Subd. 5. **Donor.** "Donor" means an individual who provides gametes intended for use in assisted reproduction, whether or not for consideration. The term does not include a parent or intended parent.

Subd. 6. **Gamete.** "Gamete" means a sperm or egg.

Subd. 7. **Genetic testing.** "Genetic testing" means an analysis of genetic markers to identify or exclude a genetic relationship.

Subd. 8. **Intended parent.** "Intended parent" means an individual, married or unmarried, who manifests an intent to be legally bound as a parent of a child conceived by assisted reproduction.

Subd. 9. **Parent.** "Parent" means an individual who is the legal parent of a child under the laws of the state.

Subd. 10. **Parentage; parent-child relationship.** "Parentage" or "parent-child relationship" means the legal relationship between a child and a parent of the child.

Subd. 11. **Presumed parent.** "Presumed parent" means an individual who under sections 257.51 to 257.74 is presumed to be a parent of a child, unless the requirements of section 257.57, subdivision 2, are met; the presumption is overcome in a judicial proceeding; a valid denial of parentage is made under this chapter; or a court adjudicates the individual to be a parent.

Subd. 12. **Transfer.** "Transfer" means a procedure for assisted reproduction by which an embryo or sperm is placed in the body of the individual who will give birth to the child.

Sec. 2. [257E.15] ORDERS OF PARENTAGE.

(a) If the court determines that an individual is a parent under this chapter, either because the individual gave birth to the child or the individual is a consenting intended parent under section 257E.23, the court shall adjudicate the individual to be a parent of the child.

(b) An individual who is or claims to be a parent under this section or the individual who gave birth to the child may commence a proceeding before or after the birth of the child in district court for an order or judgment:

(1) declaring that each intended parent is a parent of the child and ordering that parental rights and duties vest immediately upon the birth of the child;

(2) designating the content of the birth record in accordance with applicable law and directing the Office of Vital Records to designate each intended parent as a parent of the child;

(3) to protect the privacy of the child and the parties, declaring that the court record is not open to inspection; and

(4) for other relief the court determines necessary and proper.

(c) The court may issue an order or judgment under this section before the birth of the child. The court shall stay enforcement of the order or judgment until the birth of the child.

(d) Neither this state nor the Office of Vital Records is a necessary party to a proceeding under this section.

Sec. 3. [257E.21] PARENTAL STATUS OF DONOR.

A donor is not a parent of a child conceived by assisted reproduction.

Sec. 4. [257E.22] PARENTAGE OF CHILD OF ASSISTED REPRODUCTION.

An intended parent who consents under section 257E.23 to assisted reproduction by another individual with the intent to be a parent of a child conceived by assisted reproduction is a parent of the child.

Sec. 5. [257E.23] CONSENT TO ASSISTED REPRODUCTION.

(a) Except as otherwise provided in paragraph (b), the consent described in section 257E.22 must be in a record signed by the individual giving birth to a child conceived by assisted reproduction and an intended parent.

(b) Failure to consent in a record as required by paragraph (a), before, on, or after the birth of the child, does not preclude the court from finding consent to parentage if:

(1) the individual giving birth to a child or the intended parent proves by clear-and-convincing evidence the existence of an express agreement entered into before conception that the intended parent and the individual giving birth to the child intended they both would be parents of the child; or

(2) the individual giving birth to a child and the intended parent for the first two years of the child's life, including any period of temporary absence, resided together in the same household with the child and both openly held out the child as the intended parent's child, unless the intended parent dies or becomes incapacitated before the child attains two years of age or the child dies before the child attains two years of age, in which case the court may find consent under this paragraph to

parentage if a party proves by clear-and-convincing evidence that the individual giving birth to the child and the intended parent intended to reside together in the same household with the child and both intended the intended parent would openly hold out the child as the intended parent's child, but the intended parent was prevented from carrying out that intent by death or incapacity.

Sec. 6. [257E.24] SPOUSE'S DISPUTE OF PARENTAGE; LIMITATIONS.

(a) Except as otherwise provided in paragraph (b), an individual who, at the time of a child's birth, is the spouse of the parent who gave birth to the child by assisted reproduction may not challenge the individual's parentage of the child unless:

(1) not later than two years after the birth of the child, the spouse commences a proceeding to adjudicate the spouse's parentage of the child; and

(2) the court finds the spouse did not consent to the assisted reproduction, before, on, or after birth of the child, or withdrew consent under section 257E.26.

(b) A proceeding to adjudicate a spouse's parentage of a child born by assisted reproduction may be commenced at any time if the court determines:

(1) the spouse neither provided a gamete for, nor consented to, the assisted reproduction;

(2) the spouse and the parent who gave birth to the child have not cohabited since the probable time of assisted reproduction; and

(3) the spouse never openly held out the child as the spouse's child.

(c) This section applies to a spouse's dispute of parentage even if the spouse's marriage is declared invalid after assisted reproduction occurs.

Sec. 7. [257E.25] EFFECT OF DISSOLUTION.

If a marriage of an individual who gives birth to a child conceived by assisted reproduction is terminated through divorce or dissolution, subject to legal separation or separate maintenance, declared invalid, or annulled before transfer of gametes or embryos to the individual giving birth to the child, a former spouse of the individual giving birth to the child is not a parent of the child unless the former spouse consented in a record that the former spouse would be a parent of the child if assisted reproduction were to occur after a divorce, dissolution, annulment, declaration of invalidity, legal separation, or separate maintenance, and the former spouse did not withdraw consent under section 257E.26.

Sec. 8. [257E.26] WITHDRAWAL OF CONSENT.

(a) An intended parent who consents under section 257E.23 to assisted reproduction may withdraw consent any time before a transfer that results in a pregnancy, by giving notice in a record of the withdrawal of consent to the individual who agreed to give birth to a child conceived by assisted reproduction and to any clinic or health care provider facilitating the assisted reproduction. Failure to give notice to the clinic or health care provider does not affect a determination of parentage under this chapter.

(b) An individual who withdraws consent under paragraph (a) is not a parent of the child under this chapter.

Sec. 9. **[257E.27] PARENTAL STATUS OF DECEASED INDIVIDUAL.**

(a) If an individual who intends to be a parent of a child conceived by assisted reproduction dies during the period between the transfer of a gamete or embryo and the birth of the child, the individual's death does not preclude the establishment of the individual's parentage of the child if the individual otherwise would be a parent of the child under this chapter.

(b) If an individual who consented in a record to assisted reproduction by an individual who agreed to give birth to a child dies before a transfer of gametes or embryos, the deceased individual is a parent of a child conceived by the assisted reproduction only if:

(1) either:

(i) the individual consented in a record that if assisted reproduction were to occur after the death of the individual, the individual would be a parent of the child; or

(ii) the individual's intent to be a parent of a child conceived by assisted reproduction after the individual's death is established by clear-and-convincing evidence; and

(2) either:

(i) the embryo is in utero not later than 36 months after the individual's death; or

(ii) the child is born not later than 45 months after the individual's death.

Sec. 10. **REPEALER.**

Minnesota Statutes 2022, section 257.56, is repealed."

Delete the title and insert:

"A bill for an act relating to family law; modifying parenting time and spousal maintenance provisions; modifying and updating provisions governing antenuptial and postnuptial agreements; establishing rights and responsibilities relating to assisted reproduction; directing the revisor of statutes to update terms used in statute; amending Minnesota Statutes 2022, sections 257.025; 518.131, subdivisions 1, 11; 518.14; 518.17, subdivisions 1, 3; 518.175, subdivisions 1, 6; 518.552, subdivisions 1, 2, 3, 6, by adding subdivisions; 518A.39, subdivision 1; 519.11; Minnesota Statutes 2023 Supplement, section 518A.39, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; proposing coding for new law as Minnesota Statutes, chapter 257E; repealing Minnesota Statutes 2022, sections 257.56; 518A.39, subdivision 3."

And when so amended the bill do pass.

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

Senator Champion from the Committee on Jobs and Economic Development, to which was referred

S.F. No. 3502: A bill for an act relating to workforce development; appropriating money for grants to nonprofits to support LGBTQ people relocating to Minnesota.

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

Delete everything after the enacting clause and insert:

"Section 1. **PFUND FOUNDATION; APPROPRIATION.**

\$1,000,000 in fiscal year 2025 is appropriated from the workforce development fund to the commissioner of employment and economic development for a grant to PFund Foundation to make grants statewide for workforce development and job skills training to enhance or increase Minnesota's capacity to address medical, mental health, and social service needs of LGBTQIA2S+ individuals; and for support and wraparound services for LGBTQIA2S+ individuals to improve employment and economic opportunity, long-term economic self-sufficiency, and pathways out of poverty. Of this amount, up to five percent may be used for PFund Foundation's technical assistance and administrative costs. By January 15, 2026, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce development regarding the uses of the grant funds, including the amount of the grant used for administration. This is a onetime appropriation."

Delete the title and insert:

"A bill for an act relating to workforce development; appropriating money for a grant to the PFund Foundation; requiring a report."

And when so amended the bill be re-referred to the Committee on Health and Human Services without recommendation.

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

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

S.F. No. 4260: A bill for an act relating to elections; appropriating money; modifying previous appropriations and transfers; amending Laws 2021, First Special Session chapter 12, article 1, section 6; Laws 2023, chapter 62, article 1, sections 6; 43.

Reports the same back with the recommendation that the bill do pass. Report adopted.

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

S.F. No. 4387: A bill for an act relating to public safety; providing for human services; modifying the duties of certain facilities that confine people relating to phone calls and other communication services; specifying duties of certain direct care and treatment programs relating to phone calls and other communications; amending Minnesota Statutes 2023 Supplement, section 241.252; proposing coding for new law in Minnesota Statutes, chapter 246.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Report adopted.

Senator Latz from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 4480: A bill for an act relating to children; making changes to the Minnesota Indian Family Preservation Act; making conforming statutory changes; amending Minnesota Statutes 2022, sections 260.755, subdivisions 2a, 5, 14, 17a, by adding subdivisions; 260.775; 260.785, subdivisions 1, 3; 260.810, subdivision 3; 260C.007, subdivision 26b; 260C.178, subdivision 1; 260C.201, subdivision 1; 260C.204; 260C.503, subdivisions 1, 3; 260C.505; 260C.507; 260D.01; 260D.12; Minnesota Statutes 2023 Supplement, sections 260.755, subdivisions 1a, 3, 3a, 5b, 20, 22; 260.758, subdivisions 2, 4, 5; 260.761; 260.762; 260.763, subdivisions 1, 4, 5; 260.765, subdivisions 2, 3a, 4b; 260.771, subdivisions 1a, 1b, 1c, 2b, 2d, 6, by adding subdivisions; 260.773, subdivisions 1, 2, 3, 4, 5, 10, 11; 260.774, subdivisions 1, 2, 3; 260.781, subdivision 1; 260.786, subdivision 2; 260.795, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 259; 260D; 260E; 524; repealing Minnesota Statutes 2022, section 260.755, subdivision 13.

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

Page 3, line 26, after the period, insert "For the purposes of provision of active efforts and foster care and permanency placement decisions,"

Page 8, line 21, after the comma, insert "except for adoptive or preadoptive placement proceedings,"

Page 9, line 16, delete "custody" and insert "placement"

Page 10, line 15, delete everything after "hearings" and insert ", except that the court may require an in-person appearance for trials or other evidentiary or contested hearings."

Page 10, delete line 16

Page 11, line 10, after the period, insert "If the identity or location of the Indian child's Tribe cannot be determined, the notice must be given to the United States Secretary of Interior in like manner."

Page 11, line 26, reinstate the stricken language and delete "OR"

Page 11, line 27, delete "PERMANENCY" and insert ", PRESERVE THE CHILD'S FAMILY,"

Page 12, line 13, after "rights," insert "guardianship to the commissioner of human services under section 260C.325,"

Page 14, line 3, delete "shall"

Page 14, line 12, delete "may"

Page 16, line 33, after the period, insert "The child-placing agencies and the courts shall defer to a" and delete "is conclusive"

Page 17, line 6, before the period, insert ", or if the Tribe agrees to concurrent jurisdiction"

Page 17, line 32, delete "it is determined" and insert "the court determines"

Page 18, line 24, strike "foster care" and insert "child"

Page 20, delete line 17

Page 20, line 18, delete everything before "The court shall"

Page 20, delete section 29

Page 31, after line 6, insert:

"Section 1. Minnesota Statutes 2022, section 259.20, subdivision 2, is amended to read:

Subd. 2. **Other applicable law.** (a) Portions of chapters 245A, 245C, 257, 260, and 317A may also affect the adoption of a particular child.

(b) Provisions of the Indian Child Welfare Act, United States Code, title 25, chapter 21, sections 1901-1923, ~~may also~~ and the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835 apply in the adoption of an Indian child, ~~and may preempt specific provisions of this chapter as described in section 259.201.~~

(c) Consistent with section 245C.33 and Public Law 109-248, a completed background study is required before the approval of any foster or adoptive placement in a related or an unrelated home."

Page 31, line 12, before "and by" insert "by section 259.20, subdivision 2, paragraph (b);"

Page 31, line 19, delete everything after the period

Page 31, delete lines 20 and 21

Pages 31 to 44, delete sections 3 to 9 and insert:

"Sec. 4. Minnesota Statutes 2022, section 260C.178, subdivision 1, as amended by Laws 2024, chapter 80, article 8, section 24, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time that the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue to be in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines that there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child:

(1) into the care of the child's noncustodial parent and order the noncustodial parent to comply with any conditions that the court determines appropriate to ensure the safety and care of the child, including requiring the noncustodial parent to cooperate with paternity establishment proceedings if the noncustodial parent has not been adjudicated the child's father; or

(2) into foster care as defined in section 260C.007, subdivision 18, under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that the agency has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. The court shall not make a reasonable efforts determination under this clause unless the court is satisfied that the agency has sufficiently demonstrated to the court that there were no services or other efforts that the agency was able to provide at the time of the hearing enabling the child to safely remain home or to safely return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered that would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph (g) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

(f) If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(g) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

(h) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under a juvenile protection proceeding or a similar process of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

(k) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.

(l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(m) When the court has ordered the child into the care of a noncustodial parent or in foster care, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212, subdivision 1, or the child protective services plan under section 260E.26, and Minnesota Rules, part 9560.0228.

(n) When the court has ordered an Indian child into an emergency child placement, the Indian child shall be placed according to the placement preferences in the Minnesota Indian Family Preservation Act, section 260.773. "

Page 47, reinstate line 4

Page 47, line 5, reinstate everything before "~~This~~"

Page 47, delete section 12 and insert:

"Sec. 7. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; STUDY OF CHILD PLACEMENT AND PERMANENCY; PRACTICE RECOMMENDATIONS.

Subdivision 1. Study parameters. By September 1, 2024, the commissioner of human services shall contract with an independent consultant to evaluate the effects of child placement in foster care and out-of-home settings on the safety, permanency, and well-being of the child. The study must be designed to evaluate the system overall for a child's placement and permanency. The study shall identify and evaluate factors designed to ensure emotional and physical safety of the child in the context of child placement and permanency dispositions and shall include an analysis of structuring out-of-home placement decisions, reunification timelines, and service provisions to best allow the parents to engage in positive parenting of the child. The goal is to determine guidelines for when to place a child out-of-home, who to place the child with, when and how to keep the child connected to family and community, and what timelines support building a stable base for the child's parents to engage in necessary treatment, including but not limited to substance use or mental health treatment, before undertaking parenting responsibilities.

(b) The study shall take into account the educational and behavioral development, mental health functioning, and placement stability of the child. The study shall also take into consideration the social, financial, and whole health of the family unit.

Subd. 2. Collaboration with interested parties. The consultant shall design the study with an advisory group consisting of:

- (1) the commissioner of human services, or a designee;
- (2) the commissioner of children, youth, and families, or a designee;
- (3) the ombudsperson for foster youth, or a designee;
- (4) a representative from the Association of Minnesota Counties appointed by the association;
- (5) two members representing county social services agencies, one from the seven-county metropolitan area and one from Greater Minnesota;
- (6) one member appointed by the Minnesota Council on Disability;
- (7) one member appointed by the Indian Child Welfare Advisory Council;
- (8) one member appointed by the Ombudsperson for American Indian Families;
- (9) one member appointed by the Children's Alliance;
- (10) up to four members appointed by the ombudsperson for families;
- (11) up to four members from the Children's Justice Task Force; and
- (12) members of the public appointed by the governor representing:
 - (i) one member 18 years of age who has lived experience with the child welfare system;
 - (ii) one member 18 years of age or older who has lived experience with the child welfare system as a parent or caregiver;
 - (iii) one member who is working with or advocating for children with disabilities;
 - (iv) one member with experience working with or advocating for LGBTQ youth;
 - (v) one member working with or advocating for Indigenous children;
 - (vi) one member working with or advocating for black children or youth;
 - (vii) one member working with or advocating for other children of color;
 - (viii) one member who is an attorney representing children in child placement proceedings;
 - (ix) one member who is a Tribal attorney in child placement proceedings;
 - (x) one member who is an attorney representing parents in child placement proceedings;
 - (xi) one member with experience in children's mental health;
 - (xii) one member with experience in adult mental health; and
 - (xiii) one member who is a substance abuse professional.

Subd. 3. **Report.** By September 1, 2027, the consultant shall submit a final report to the commissioner of human services and to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services. The final report must include a recommendation on the optimal time frame for child placement in foster care or out-of-home placement. The commissioner of human services shall include a report on needed statutory changes as a result of the consultant's report.

Subd. 4. **Appropriation.** \$..... in fiscal year 2025 and \$..... in fiscal year 2026 are appropriated from the general fund to the commissioner of human services to carry out the study required under this section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "requiring a study of child placement and permanency; requiring a report; appropriating money;"

Amend the title numbers accordingly

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

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

Senator Latz from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 4271: A bill for an act relating to judiciary; amending certain court actions regarding possession of property, suspension of license for uninsured vehicle, and debts subject to revenue recapture; modifying definition of court examiner; providing for electronic service of order for protection or restraining order; requiring employer to release employee from work for prospective jury service; authorizing district court to publish notice on Minnesota judicial branch website; appropriating money for psychological services, cybersecurity, court interpreter services, juror per diem, and courthouse security; amending Minnesota Statutes 2022, sections 117.042; 171.182, subdivisions 2, 3; 253B.02, subdivision 4d; 331A.02, by adding a subdivision; 480.15, subdivision 10c; 518B.01, subdivision 8; 593.50, subdivision 1; 609.748, subdivision 5; 645.11; Minnesota Statutes 2023 Supplement, section 611.41, subdivision 7.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

LAW ENFORCEMENT PROVISIONS

Section 1. Minnesota Statutes 2023 Supplement, section 214.10, subdivision 10, is amended to read:

Subd. 10. **Board of Peace Officers Standards and Training; receipt of complaint.** Notwithstanding the provisions of subdivision 1 to the contrary, when the executive director or any member of the Board of Peace Officer Standards and Training produces or receives a written statement or complaint that alleges a violation of a statute or rule that the board is empowered to enforce, the executive director ~~shall designate the appropriate law enforcement agency to investigate the complaint and~~ may order it an appropriate law enforcement agency to conduct an inquiry into the complaint's allegations. If directed to complete an investigation, the investigating agency must complete the inquiry and submit a written summary of it to the executive director within 30 days of the order for inquiry.

Sec. 2. **[626.223] ODOR OF CANNABIS; SEARCH PROHIBITED.**

A peace officer's perception of the odor of cannabis shall not serve as the sole basis to search a motor vehicle, or to search the driver, passengers, or any of the contents of a motor vehicle.

Sec. 3. Minnesota Statutes 2022, section 626.5534, is amended to read:

626.5534 USE OF FORCE REPORTING; INDEPENDENT INVESTIGATIONS REQUIRED.

Subdivision 1. **Report required.** A chief law enforcement officer must provide the information requested by the Federal Bureau of Investigation about each incident of law enforcement use of force resulting in serious bodily injury or death, as those terms are defined in the Federal Bureau of Investigation's reporting requirements, to the superintendent of the Bureau of Criminal Apprehension. The superintendent shall adopt a reporting form for use by law enforcement agencies in making the report required under this section. The report must include for each incident all of the information requested by the Federal Bureau of Investigation.

Subd. 2. **Use of information collected.** A chief law enforcement officer must file the report under subdivision 1 once a month in the form required by the superintendent. The superintendent must summarize and analyze the information received and submit an annual written report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety. The superintendent shall submit the information to the Federal Bureau of Investigation.

Subd. 3. **Independent investigations required.** (a) When an incident of law enforcement use of force results in death, an investigation of the incident must be undertaken by the Bureau of Criminal Apprehension's Independent Use of Force Investigations Unit established under section 299C.80. If a peace officer employed by the Bureau of Criminal Apprehension uses force in the incident the procedure outlined in section 299C.80 will be followed.

(b) A law enforcement agency must fully cooperate with and promptly respond to requests for information from the entity conducting an investigation mandated under paragraph (a).

(c) An entity that conducts an investigation under this subdivision must prepare a report detailing the entity's investigation and promptly deliver the report to the prosecutor for the county in which the incident occurred. Within six months of receiving a report under this paragraph, a prosecuting authority must release their findings to the public if a law enforcement officer involved in the incident is not charged with a crime. If a prosecuting authority determines that there is no basis to file charges

against a peace officer involved in the incident prior to six months elapsing from the date of receiving the report, the prosecutor must publicly disclose the prosecutor's determination and simultaneously release the report to the public.

(d) The attorney general may petition a court for a writ of mandamus to compel an agency to comply with the requirements of this subdivision.

Sec. 4. Minnesota Statutes 2022, section 626.8435, subdivision 1, is amended to read:

Subdivision 1. **Establishment and membership.** ~~The Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council is established under the Peace Officer Standards and Training Board. The council consists of the following 15 members:

- (1) the superintendent of the Bureau of Criminal Apprehension, or a designee;
- (2) the executive director of the Peace Officer Standards and Training Board, or a designee;
- (3) the executive director of the Minnesota Police and Peace Officers Association, or a designee;
- (4) the executive director of the Minnesota Sheriffs' Association, or a designee;
- (5) the executive director of the Minnesota Chiefs of Police Association, or a designee;
- (6) six community members, of which:
 - (i) four members shall represent the community-specific boards established under sections 15.0145 and 3.922, reflecting one appointment made by each board;
 - (ii) one member shall be a mental health advocate and shall be appointed by the Minnesota chapter of the National Alliance on Mental Illness; and
 - (iii) one member shall be an advocate for victims and shall be appointed by Violence Free Minnesota; and
- (7) four members appointed by the legislature, of which one shall be appointed by the speaker of the house, one by the house minority leader, one by the senate majority leader, and one by the senate minority leader.

The appointing authorities shall make their appointments by September 15, 2020, and shall ensure geographical balance when making appointments.

Sec. 5. Minnesota Statutes 2022, section 626.8457, subdivision 3, is amended to read:

Subd. 3. **Report on alleged misconduct; database; report.** (a) A chief law enforcement officer shall report annually to the board summary data regarding the investigation and disposition of cases involving alleged misconduct, indicating the total number of investigations, the total number by each subject matter, the number dismissed as unfounded, and the number dismissed on grounds that the allegation was unsubstantiated.

(b) Beginning July 1, 2021, a chief law enforcement officer, in real time, must submit individual peace officer data classified as public data on individuals, as defined by section 13.02, subdivision 15, or private data on individuals, as defined by section 13.02, subdivision 12, and submitted using encrypted data that the board determines is necessary to:

(1) evaluate the effectiveness of statutorily required training;

(2) assist the ~~Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council in accomplishing the council's duties; and

(3) allow for the board, the ~~Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council, and the board's complaint investigation committee to identify patterns of behavior that suggest an officer is in crisis or is likely to violate a board-mandated model policy.

(c) The reporting obligation in paragraph (b) is ongoing. A chief law enforcement officer must update data within 30 days of final disposition of a complaint or investigation.

(d) Law enforcement agencies and political subdivisions are prohibited from entering into a confidentiality agreement that would prevent disclosure of the data identified in paragraph (b) to the board. Any such confidentiality agreement is void as to the requirements of this section.

(e) By February 1 of each year, the board shall prepare a report that contains summary data provided under paragraph (b). The board must post the report on its publicly accessible website and provide a copy to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy.

Sec. 6. ANOKA COUNTY; JAIL AND CRIMINAL JUSTICE CENTER.

Subdivision 1. Jail and criminal justice center. Notwithstanding Minnesota Statutes, section 373.05, Anoka County may build a jail and criminal justice center in any city located within the county to replace the current jail located in the city of Anoka.

Subd. 2. Sheriff's office. Notwithstanding Minnesota Statutes, section 382.04, the sheriff of Anoka County may keep office in the jail and criminal justice center authorized under subdivision 1 instead of in the county seat.

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

ARTICLE 2

CORRECTIONS PROVISIONS

Section 1. Minnesota Statutes 2022, section 13.84, subdivision 6, is amended to read:

Subd. 6. **Public benefit data.** (a) The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to:

(1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and

(2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution.

(b) A parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency may release to a law enforcement agency the following data on defendants, parolees, or probationers: current address, dates of entrance to and departure from agency programs, and dates and times of any absences, both authorized and unauthorized, from a correctional program.

(c) The responsible authority or its designee of a juvenile correctional agency may release private or confidential court services data to a victim of a delinquent act to the extent the data are necessary to enable the victim to assert the victim's right to request notice of release under section 611A.06. The data that may be released include only the name, home address, and placement site of a juvenile who has been placed in a juvenile correctional facility as a result of a delinquent act.

~~(d) Upon the victim's written or electronic request and, if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), The commissioner of corrections or the commissioner's designee may disclose to the victim of an offender convicted of a qualified domestic violence-related offense as defined in section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon or after release from a Department of Corrections facility, unless:~~

~~(1) the offender is not under correctional supervision at the time of the victim's request;~~

~~(2) the commissioner or the commissioner's designee does not have the city or zip code; or~~

~~(3) the commissioner or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.~~

~~(e) Paragraph (d) applies only where the offender is serving a prison term for a qualified domestic violence-related offense committed against the victim seeking notification.~~

Sec. 2. Minnesota Statutes 2023 Supplement, 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. Notwithstanding chapter 13 or any other state law classifying or restricting access to data, the officers in charge of these facilities must furnish all data available to the facility that the commissioner deems necessary to conduct a review of any emergency or unusual occurrence at the facility. Failure to provide or grant access to relevant information or statistics necessary to fulfill inspection or emergency or unusual occurrence reviews, as requested by the commissioner, may be grounds for the commissioner to take action against a correctional facility's license under subdivision 1a, 1b, or 1c.

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 chapter 401, 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 241.021, subdivision 1h, is amended to read:

Subd. 1h. **State correctional facilities security audit group.** (a) Beginning in fiscal year 2022, the commissioner shall form a state correctional facilities security audit group. The group must consist of the following members:

(1) a Department of Corrections employee who is not assigned to the correctional institutions division, appointed by the commissioner;

(2) the ombudsperson for corrections or a designee;

(3) an elected sheriff or designee nominated by the Minnesota Sheriffs' Association and appointed by the commissioner;

~~(4) a physical plant safety consultant, appointed by the governor;~~

~~(5) a private security consultant with expertise in correctional facility security, appointed by the governor;~~

(4) an individual with expertise in security related to infrastructure and operational logistics of correctional facilities who is not required to reside in Minnesota, appointed by the governor;

(5) the commissioner of health or a designee;

(6) the commissioner of administration or a designee;

~~(7)~~ (7) two senators, one appointed by the senate majority leader and one appointed by the minority leader; and

~~(8)~~ (8) two representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives.

(b) ~~By January 1, 2022, The ombudsperson or a designee shall chair the group.~~ The group shall establish security audit standards for state correctional facilities. In developing the standards, the group, or individual members of the group, may gather information from state correctional facilities and state correctional staff and inmates. The security audit group must periodically review the standards and modify them as needed. The group must report the standards to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance ~~by February 15, 2022~~ whenever the standards are updated.

(c) The group shall meet twice a year to review facility audit reports submitted to the group by the agency's inspection unit. Notwithstanding any law to the contrary, the group is entitled to review

the full audit reports including nonpublic security information and corrections and detention confidential data. Within 60 days of ~~receiving an meeting to review~~ audit report reports from the department's inspection unit, the group must make recommendations to the commissioner. Within 45 days of receiving the group's recommendations, the commissioner must reply in writing to the group's findings and recommendations. The commissioner's response must explain whether the agency will implement the group's recommendations, the timeline for implementation of the changes, and, if not, why the commissioner will not or cannot implement the group's recommendations.

(d) Beginning in 2023, the commissioner must include a written aggregate of the group's recommendations based on each security audit and assessment of a state correctional facility and the commissioner's responses to the recommendations in the biennial report required under section 241.016, subdivision 1. The commissioner shall not include corrections and detention confidential data, as defined in section 13.85, subdivision 3, and nonpublic security information, as defined in section 13.37, subdivision 1, in the commissioner's report to the legislature.

(e) The commissioner shall provide staffing and administrative support to the group.

(f) The state correctional facilities security audit group is not subject to chapter 13D.

(g) Except as otherwise provided in this paragraph, the terms, compensation, and removal of members of the group are governed by section 15.059. Members of the group serve without compensation but shall receive expense reimbursement. Notwithstanding section 15.059, subdivision 6, the group does not expire.

Sec. 4. Minnesota Statutes 2022, section 241.021, subdivision 4b, is amended to read:

Subd. 4b. **Health care peer review committee.** The commissioner of corrections shall establish a health care peer review committee. Sections 145.61 to 145.67 apply to the committee. The committee shall gather, review, and evaluate information relating to the on-site and off-site quality of care and treatment of offenders. The committee shall consist of:

~~(1) the director of health services;~~

~~(2)~~ (1) the department medical director;

~~(3)~~ (2) the regional medical director of the contracted health care vendor;

~~(4)~~ (3) the department director of nursing or a designee;

~~(5)~~ (4) a physician from the contracting hospital provider; ~~and~~

~~(6)~~ (5) another physician who provides health care to offenders on site at a correctional facility;

(6) one or more licensed physicians or nurse practitioners from the community, in person or by telephone, with expertise in the most appropriate clinical area;

(7) the director of psychiatry of the contracted vendor;

(8) the pharmacist liaison of the contracted vendor's pharmacy vendor;

(9) the clinical pharmacist of the contracted vendor;

(10) in cases of suicide or unanticipated death, a representative from the Office of Special Investigations; and

(11) other ad hoc members as indicated at the discretion of the Department of Corrections medical director or chief medical officer.

Sec. 5. Minnesota Statutes 2022, section 241.75, subdivision 2, is amended to read:

Subd. 2. **Health care decisions.** The medical director of the Department of Corrections, or the medical director's designee, who must be a physician licensed under chapter 147, may make a health care decision for an inmate incarcerated in a state correctional facility or placed in an outside facility on conditional medical release if the inmate's attending physician determines that the inmate lacks decision-making capacity and:

(1) there is not a documented health care agent designated by the inmate or the health care agent is not reasonably available to make the health care decision;

(2) if there is a documented health care directive, the decision is consistent with that directive;

(3) the decision is consistent with reasonable medical practice and other applicable law; and

(4) the medical director has made a good faith attempt to consult with the inmate's next of kin or emergency contact person in making the decision, to the extent those persons are reasonably available.

Sec. 6. Minnesota Statutes 2022, section 243.52, subdivision 2, is amended to read:

Subd. 2. **Use of force.** (a) Use of force must not be applied maliciously or sadistically for the purpose of causing harm to a confined or incarcerated person.

(b) Unless the use of deadly force is justified in this section, a correctional officer working in an adult correctional facility either under the control of the commissioner of corrections or licensed by the commissioner under section 241.021 may not use any of the following restraints:

(1) a choke hold;

(2) a prone restraint;

(3) tying all of a person's limbs together behind the person's back to render the person immobile;
or

(4) securing a person in any way that results in transporting the person face down in a vehicle, except as directed by a medical professional.

(c) For the purposes of this subdivision, the following terms have the meanings given them:

(1) "choke hold" means a method by which a person applies sufficient pressure to a person to make breathing difficult or impossible, and includes but is not limited to any pressure to the neck,

throat, or windpipe that may prevent or hinder breathing or reduce intake of air. Choke hold also means applying pressure to a person's neck on either side of the windpipe, but not to the windpipe itself, to stop the flow of blood to the brain via the carotid arteries;

(2) "prone restraint" means the use of manual restraint that places a person in a face-down position; and

(3) "deadly force" has the meaning given in section 609.066, subdivision 1.

(d) Use of deadly force is justified only if an objectively reasonable correctional officer would believe, based on the totality of the circumstances known to the officer at the time and without the benefit of hindsight, that deadly force is necessary:

(1) to protect the correctional officer or another from death or great bodily harm, provided that the threat:

(i) can be articulated with specificity ~~by the correctional officer;~~

(ii) is reasonably likely to occur absent action by the correctional officer; and

(iii) must be addressed through the use of deadly force without unreasonable delay; or

(2) to effect the capture or prevent the escape of a person when the officer reasonably believes that the person will cause death or great bodily harm to another person under the threat criteria in clause (1), unless immediately apprehended.

Sec. 7. Minnesota Statutes 2023 Supplement, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life and indeterminate sentences.** (a) The board may, under rules adopted by the commissioner, grant supervised release or parole as follows:

(1) to an inmate serving a mandatory life sentence after the inmate has served the minimum term of imprisonment specified in subdivision 4 or section 243.05, subdivision 1, paragraph (a);

(2) at any time for an inmate serving a nonlife indeterminate sentence for a crime committed on or before April 30, 1980; or

(3) to an inmate eligible for early supervised release under subdivision 4a after the inmate has served the minimum term of imprisonment.

(b) For cases ~~involving where an inmate is serving multiple sentences, the board must grant or deny supervised release as follows:~~

~~(1) if an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all unexpired sentences; and,~~

~~(2) Notwithstanding any other law to the contrary, if an inmate who was under the age of 18 at the time of the commission of the relevant offenses and has served the minimum term of imprisonment specified in subdivision 4b is serving multiple sentences that are consecutive to one another, the board ~~may~~ must grant or deny supervised release on ~~one or more~~ all unexpired sentences.~~

(c) No less than three years before an inmate has served the applicable minimum term of imprisonment, the board must assess the inmate's status and make programming recommendations relevant to the inmate's release review. The commissioner must ensure that any board programming recommendations are followed and implemented.

(d) The board must conduct a supervised release review hearing as soon as practicable before an inmate has served the applicable minimum term of imprisonment.

(e) The board shall require the preparation of a community investigation report. The report shall:

(1) reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time;

(2) include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision; and

(3) include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(f) The board shall require the preparation of a development report when making a supervised release decision regarding an inmate who was under 18 years of age at the time of the commission of the offense. The report must be prepared by a mental health professional qualified to provide services to a client under section 245I.04, subdivision 2, clause (1) to (4) or (6), and must address the inmate's cognitive, emotional, and social maturity. The board may use a previous report that was prepared within 12 months immediately preceding the hearing.

(g) The board shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's release review hearing. The victim has a right to submit an oral or written statement at the review hearing. Notwithstanding chapter 13D, the board may meet in closed session to receive and review a victim's statement, at the request of the victim. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time.

(h) The board shall permit a prosecutor from the office that prosecuted the case to submit a written statement in advance of the review hearing.

(i) When considering whether to grant supervised release or parole to an inmate serving a life sentence or indeterminate sentence, the board shall consider, at a minimum, the following:

(1) the report prepared pursuant to paragraph (e);

(2) the report prepared pursuant to paragraph (f), if applicable;

(3) a victim statement under paragraph (g), if submitted;

(4) the statement of a prosecutor under paragraph (h), if submitted;

(5) the risk the inmate poses to the community if released;

- (6) the inmate's progress in treatment, if applicable;
- (7) the inmate's behavior while incarcerated;
- (8) psychological or other diagnostic evaluations of the inmate;
- (9) information on the inmate's rehabilitation while incarcerated;
- (10) the inmate's criminal history;

(11) if the inmate was under 18 years of age at the time of the commission of the offense, relevant science on the neurological development of juveniles and information on the inmate's maturity and development while incarcerated; and

(12) any other relevant conduct of the inmate while incarcerated or before incarceration.

(j) The board may not grant supervised release or parole to an inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment, if applicable;

(ii) the inmate has been assessed for substance use disorder needs and, if appropriate, has successfully completed substance use disorder treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that:

(i) ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment; and

(ii) includes a postprison employment or education plan for the inmate.

(k) Supervised release or parole must be granted with a majority vote of the quorum required under section 244.049, subdivision 3. If there is a tie vote, supervised release or parole is granted only if the commissioner votes in favor of granting supervised release or parole.

(l) Within 30 days after a supervised release review hearing, the board must issue a decision on granting release, including an explanation for the decision. If an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all sentences.

(m) If the board does not grant supervised release, the board shall conduct a subsequent supervised release hearing within three years of the initial hearing. If release is denied at the subsequent hearing, the board shall continue to hold hearings at least once every three years. If the board denies an inmate's release under this paragraph, the explanation of that decision must identify specific steps that the inmate can take to increase the likelihood that release will be granted at a future hearing.

(n) When granting supervised release under this subdivision, the board must set prerelease conditions to be followed by the inmate, if time permits, before their actual release or before

constructive parole becomes effective. If the inmate violates any of the prerelease conditions, the commissioner may rescind the grant of supervised release without a hearing at any time before the inmate's release or before constructive parole becomes effective. A grant of constructive parole becomes effective once the inmate begins serving the consecutive sentence.

(o) If the commissioner rescinds a grant of supervised release or parole, the board:

(1) must set a release review date that occurs within 90 days of the commissioner's rescission; and

(2) by majority vote, may set a new supervised release date or set another review date.

(p) If the commissioner revokes supervised release or parole for an inmate serving a life sentence, the revocation is not subject to the limitations under section 244.30 and the board:

(1) must set a release review date that occurs within one year of the commissioner's final revocation decision; and

(2) by majority vote, may set a new supervised release date or set another review date.

(q) The board may, by a majority vote, grant a person on supervised release or parole for a life or indeterminate sentence a final discharge from their sentence in accordance with section 243.05, subdivision 3. In no case, however, may a person subject to a mandatory lifetime conditional release term under section 609.3455, subdivision 7, be discharged from that term.

(r) For purposes of this subdivision:

(1) "board" means the ~~Indeterminate Sentence~~ Supervised Release Board under section 244.049;

(2) "constructive parole" means the status of an inmate who has been paroled from an indeterminate sentence to begin serving a consecutive sentence in prison; and

(3) "victim" has the meaning given in section 611A.01, paragraph (b).

EFFECTIVE DATE. The amendments to paragraph (g) of this section are effective August 1, 2024. The remainder of this section is effective July 1, 2024, and applies to inmates released on or after that date and retroactively to inmates eligible for early supervised release under Minnesota Statutes, section 244.05, subdivision 4a, who had supervised release review hearings conducted between July 1, 2023, and June 30, 2024.

Sec. 8. Minnesota Statutes 2023 Supplement, section 244.17, subdivision 3, is amended to read:

Subd. 3. **Offenders not eligible.** ~~(a)~~ The following offenders are not eligible to be placed in the challenge incarceration program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, carjacking, arson, or any other offense involving death or intentional personal injury;

(2) offenders who were convicted within the preceding ten years of an offense described in clause (1) and were committed to the custody of the commissioner;

(3) offenders who have been convicted or adjudicated delinquent within the past five years for a violation of section 609.485;

(4) offenders who are committed to the commissioner's custody for an offense that requires registration under section 243.166;

(5) offenders who are the subject of a current arrest warrant or detainer;

(6) offenders who have fewer than 180 days remaining until their supervised release date;

(7) offenders who have had disciplinary confinement time added to their sentence or who have been placed in segregation, unless 90 days have elapsed from the imposition of the additional disciplinary confinement time or the last day of segregation;

(8) offenders who have received a suspended formal disciplinary sanction, unless the suspension has expired; and

(9) offenders whose governing sentence is for an offense from another state or the United States; and.

~~(10) offenders who have a medical condition included on the list of ineligible conditions described in paragraph (b).~~

~~(b) The commissioner of corrections shall develop a list of medical conditions that will disqualify an offender from participating in the challenge incarceration program. The commissioner shall submit the list and any changes to it to the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy and funding.~~

Sec. 9. Minnesota Statutes 2023 Supplement, section 244.21, subdivision 2, is amended to read:

Subd. 2. **Commissioner of corrections; report.** By ~~January 15~~ May 1 each year, the commissioner must report to the chairs of the legislative committees with jurisdiction over public safety policy and finance on ~~recommended methods of coordinating the exchange of~~ information collected on individuals on probation under subdivision 1~~4~~.

~~(1) between probation service providers; and~~

~~(2) between probation service providers and the Department of Corrections.~~

Sec. 10. Minnesota Statutes 2023 Supplement, section 401.01, subdivision 2, is amended to read:

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

(b) "CCA jurisdiction" means a county or Tribal Nation that participates in the Community Corrections Act, the subsidy program under this chapter.

(c) "Commissioner" means the commissioner of corrections or a designee.

(d) "Conditional release" means:

(1) parole, supervised release, or conditional release as authorized by section 609.3455, subdivision 6, 7, or 8; Minnesota Statutes 2004, section 609.108, subdivision 6; or Minnesota Statutes 2004, section 609.109, subdivision 7;

(2) work release as authorized by sections 241.26, 244.065, and 631.425; and

(3) probation, furlough, and any other authorized temporary release from a correctional facility.

(e) "Detain" means to take into actual custody, including custody within a local correctional facility.

(f) "Joint board" means the board under section 471.59.

(g) "Local advisory board" means:

(1) for a CCA jurisdiction, a corrections advisory board as defined in section 401.08;

(2) for a non-CCA jurisdiction other than a Tribal Nation, a human services advisory board as defined in section 402.02, or advisory committee or task force as defined in section 402.03; or

(3) for a Tribal Nation that is a non-CCA jurisdiction, a board with membership as determined by the Tribal Nation.

~~(g)~~ (h) "Non-CCA jurisdiction" means a county or Tribal Nation that is not participating in the Community Corrections Act subsidy program and provides or receives probation services according to section 244.19.

~~(h)~~ (i) "Probation officer" means a county or Tribal probation officer under a CCA or non-CCA jurisdiction appointed with the powers under section 244.19.

~~(i)~~ (j) "Release" means to release from actual custody.

~~(j)~~ (k) "Tribal Nation" means a federally recognized Tribal Nation within the boundaries of the state of Minnesota.

Sec. 11. Minnesota Statutes 2023 Supplement, section 609.133, subdivision 4, is amended to read:

Subd. 4. **Petition; contents; fee.** (a) A prosecutor's petition for sentence adjustment shall be filed in the district court where the individual was convicted and include the following:

(1) the full name of the individual on whose behalf the petition is being brought and, to the extent possible, all other legal names or aliases by which the individual has been known at any time;

(2) the individual's date of birth;

(3) the individual's address;

(4) a brief statement of the reason the prosecutor is seeking a sentence adjustment for the individual;

(5) the details of the offense for which an adjustment is sought, including:

(i) the date and jurisdiction of the occurrence;

(ii) either the names of any victims or that there were no identifiable victims;

(iii) whether there is a current order for protection, restraining order, or other no contact order prohibiting the individual from contacting the victims or whether there has ever been a prior order for protection or restraining order prohibiting the individual from contacting the victims;

(iv) the court file number; and

(v) the date of conviction;

(6) what steps the individual has taken since the time of the offense toward personal rehabilitation, including treatment, work, good conduct within correctional facilities, or other personal history that demonstrates rehabilitation;

(7) the individual's criminal conviction record indicating all convictions for misdemeanors, gross misdemeanors, or felonies in this state, and for all comparable convictions in any other state, federal court, or foreign country, whether the convictions occurred before or after the conviction for which an adjustment is sought;

(8) the individual's criminal charges record indicating all prior and pending criminal charges against the individual in this state or another jurisdiction, including all criminal charges that have been continued for dismissal, stayed for adjudication, or were the subject of pretrial diversion; and

(9) to the extent known, all prior requests by the individual, whether for the present offense or for any other offenses in this state or any other state or federal court, for pardon, return of arrest records, or expungement or sealing of a criminal record, whether granted or not, and all stays of adjudication or imposition of sentence involving the petitioner.

(b) The filing fee for a petition brought under this section shall be waived.

(c) Notwithstanding chapter 13 or any other statute related to the classification of government data, a supervising agent or the commissioner of corrections may provide private or confidential data to a prosecutor for purposes of a petition for sentence adjustment.

Sec. 12. Minnesota Statutes 2022, section 611A.06, subdivision 3a, is amended to read:

Subd. 3a. **Offender location.** ~~(a) Upon the victim's written or electronic request and if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b),~~ The commissioner of corrections or the commissioner's designee ~~shall~~ may disclose to the victim of an offender ~~convicted of a qualified domestic violence-related offense as defined in section 609.02, subdivision 16,~~ notification of the city and five-digit zip code of the offender's residency upon release from a Department of Corrections facility, unless:

- ~~(1) the offender is not under correctional supervision at the time of the victim's request;~~
- ~~(2) the commissioner or the commissioner's designee does not have the city or zip code; or~~
- ~~(3) the commissioner or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.~~
- ~~(b) All identifying information regarding the victim including, but not limited to, the notification provided by the commissioner or the commissioner's designee is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.~~
- ~~(c) This subdivision applies only where the offender is serving a prison term for a qualified domestic violence-related offense committed against the victim seeking notification.~~

Sec. 13. Minnesota Statutes 2023 Supplement, section 629.292, subdivision 2, is amended to read:

Subd. 2. **Procedure on receipt of request.** The request shall be delivered to the commissioner of corrections or other official designated by the commissioner having custody of the prisoner, who shall forthwith:

- (1) certify the term of commitment under which the prisoner is being held, the time already served on the sentence, the time remaining to be served, the good time earned, the time of parole eligibility of the prisoner, and any decisions of the commissioner of corrections relating to the prisoner; and
- (2) send by registered or certified mail, return receipt requested, one copy of the request and certificate to the court and one copy to the prosecuting attorney to whom it is addressed; and, or
- ~~(3) send by e-filing and e-serving the paperwork, one copy of the request to the court and one copy to the prosecuting attorney to whom it is addressed.~~

Sec. 14. **RIGHT TO SUPERVISED RELEASE HEARING BEFORE SUPERVISED RELEASE BOARD.**

An inmate who had a supervised release hearing conducted by the commissioner of corrections during the period between May 19, 2023, and June 30, 2024, has the right to a new hearing before the Supervised Release Board. The board must attempt to accommodate any request for a hearing by an inmate under this section in a timely manner.

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

ARTICLE 3

CRIMINAL PROVISIONS

Section 1. Minnesota Statutes 2023 Supplement, section 146A.08, subdivision 1, is amended to read:

Subdivision 1. **Prohibited conduct.** (a) The commissioner may impose disciplinary action as described in section 146A.09 against any unlicensed complementary and alternative health care practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(b) Conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no-contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to engaging in complementary and alternative health care practices. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(c) Conviction of any crime against a person. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.215; 609.221; 609.222; 609.223; 609.224; 609.2242; 609.23; 609.231; 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.247; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1 or 1b; 609.50, subdivision 1, clause (1); 609.561; 609.562; 609.595; and 609.72, subdivision 3; and Minnesota Statutes 2012, section 609.21.

(d) Failure to comply with the self-reporting requirements of section 146A.03, subdivision 7.

(e) Engaging in sexual contact with a complementary and alternative health care client, engaging in contact that may be reasonably interpreted by a client as sexual, engaging in any verbal behavior that is seductive or sexually demeaning to the client, or engaging in sexual exploitation of a client or former client.

(f) Advertising that is false, fraudulent, deceptive, or misleading.

(g) Conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of a complementary and alternative health care client; or any other practice that may create danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Adjudication as mentally incompetent or as a person who is dangerous to self or adjudication pursuant to chapter 253B as chemically dependent, mentally ill, developmentally disabled, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.

(i) Inability to engage in complementary and alternative health care practices with reasonable safety to complementary and alternative health care clients.

(j) The habitual overindulgence in the use of or the dependence on intoxicating liquors.

(k) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.

(l) Revealing a communication from, or relating to, a complementary and alternative health care client except when otherwise required or permitted by law.

(m) Failure to comply with a complementary and alternative health care client's request made under sections 144.291 to 144.298 or to furnish a complementary and alternative health care client record or report required by law.

(n) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the complementary and alternative health care client.

(o) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(p) Failure to make reports as required by section 146A.03 or cooperate with an investigation of the office.

(q) Obtaining money, property, or services from a complementary and alternative health care client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(r) Failure to provide a complementary and alternative health care client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(s) Violating any order issued by the commissioner.

(t) Failure to comply with any provision of sections 146A.01 to 146A.11 and the rules adopted under those sections.

(u) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.

(v) Revocation, suspension, restriction, limitation, or other disciplinary action against any health care license, certificate, registration, or right to practice of the unlicensed complementary and alternative health care practitioner in this or another state or jurisdiction for offenses that would be subject to disciplinary action in this state or failure to report to the office that charges regarding the practitioner's license, certificate, registration, or right of practice have been brought in this or another state or jurisdiction.

(w) Use of the title "doctor," "Dr.," or "physician" alone or in combination with any other words, letters, or insignia to describe the complementary and alternative health care practices the practitioner provides.

(x) Failure to provide a complementary and alternative health care client with a recommendation that the client see a health care provider who is licensed or registered by a health-related licensing board or the commissioner of health, if there is a reasonable likelihood that the client needs to be seen by a licensed or registered health care provider.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to violations that occur on or after that date.

Sec. 2. Minnesota Statutes 2023 Supplement, 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 or fentanyl;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of: (i) a total weight of three grams or more containing heroin; or (ii) a total weight of five grams or more, or 25 dosage units or more, containing fentanyl;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug other than heroin or fentanyl, 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~~ more than a residual 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:

(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 of more than a residual amount 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 retroactively from August 1, 2023.

Sec. 3. Minnesota Statutes 2023 Supplement, 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 cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or a residual amount of one or more mixtures of controlled substances ~~contained in drug paraphernalia~~; 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 retroactively from August 1, 2023.

Sec. 4. Minnesota Statutes 2022, section 152.025, subdivision 4, is amended to read:

Subd. 4. **Penalty.** (a) A person convicted under the provisions of subdivision 2, clause (1), who has not been previously convicted of a violation of this chapter or a similar offense in another jurisdiction, is guilty of a gross misdemeanor if: (1) the amount of the controlled substance possessed, other than heroin, is less than 0.25 grams or one dosage unit or less if the controlled substance was possessed in dosage units; or (2) the controlled substance possessed is heroin and the amount possessed is less than 0.05 grams.

(b) A person convicted under the provisions of subdivision 1; subdivision 2, clause (1), unless the conduct is described in paragraph (a); or subdivision 2, clause (2), 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.

(c) If a peace officer encounters a person who is suspected of violating this section, the peace officer may refer the person to a local service provider that can offer substance use assistance to the person. Upon request at the time of initial contact, a peace officer must, if practicable and available, provide a person suspected of violating this section with a referral to local service providers. For purposes of this paragraph, "local service provider" includes but is not limited to substance use disorder treatment and recovery providers, peer support groups and systems, homeless shelters, detoxification centers, hospital systems, mental health crisis centers, naloxone providers, syringe service providers, and harm reduction programs.

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

Sec. 5. Minnesota Statutes 2022, section 243.167, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2; 609.498, subdivision 1 or 1b; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

Sec. 6. Minnesota Statutes 2022, section 609.1056, is amended by adding a subdivision to read:

Subd. 3a. **Reporting.** (a) If the court imposes a deferred sentence under subdivision 2, the court shall prepare a deferred sentence report containing the following information:

- (1) the name of the defendant;
- (2) the case number;
- (3) the underlying charge or charges;
- (4) the fact that proceedings have been deferred pursuant to this section;
- (5) the length of the term of probation ordered by the court;
- (6) the conditions of probation; and

(7) a copy of the sentencing worksheet prepared pursuant to section 609.115, if a worksheet was prepared.

(b) If the defendant violates a condition of probation and the court enters an adjudication of guilt as described in subdivision 2, paragraph (d), the court shall prepare a violation report containing the following information:

- (1) the name of the defendant;
- (2) the case number;
- (3) whether the violation was a technical violation as defined in section 244.195, subdivision 15, or involved allegation of a subsequent criminal act; and
- (4) the sentence announced by the court.

(c) The deferred sentence report prepared under paragraph (a) and any violation report prepared under paragraph (b) must be forwarded to the Sentencing Guidelines Commission. By January 15 of each year, the Sentencing Guidelines Commission shall provide a report to the committees and divisions with jurisdiction over public safety finance and policy and veterans and military affairs finance and policy that consists solely of summary data and includes:

- (1) the number of individuals who received a deferred sentence pursuant to subdivision 2 in the previous year, disaggregated by county;
- (2) the number of individuals who received an adjudication of guilt as described in subdivision 2, paragraph (d), in the previous year, disaggregated by county;
- (3) for the individuals identified in clause (2), the number who committed a technical violation of probation and the number alleged to have committed a subsequent criminal act; and
- (4) the number of proceedings dismissed pursuant to subdivision 3 in the previous year, disaggregated by county.

(d) The report required under paragraph (c) may be submitted as a section of any other annual report required to be submitted by the Sentencing Guidelines Commission.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to deferred sentences announced on or after that date.

Sec. 7. Minnesota Statutes 2023 Supplement, section 609.1095, subdivision 1, is amended to read:

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

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: sections 152.137; 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.247; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.322; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1 or 1b; 609.561; 609.562; 609.582, subdivision 1; 609.66, subdivision 1e; 609.687; and 609.855, subdivision 5; any provision of sections 609.229; 609.377; 609.378; 609.749; and 624.713 that is punishable by a felony penalty; or any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or Minnesota Statutes 2012, section 609.21.

Sec. 8. Minnesota Statutes 2023 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. **Stay of sentence maximum periods.** (a) Except as provided in paragraph (b), if the conviction is for a felony, the stay shall be for not more than five years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is less.

(b) If the conviction is for a felony ~~described in~~ violation of, or a felony-level attempt or conspiracy to violate, section 609.19; 609.195; 609.20; 609.2112; 609.2113, subdivision 2; 609.2662; 609.2663; 609.2664; 609.268; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3458; or 609.749; or a felony-level attempt or conspiracy to violate section 609.185 or 609.2661, the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(c) If the conviction is for a gross misdemeanor violation of section 169A.20, 609.2113, subdivision 3, or 609.3451, the stay shall be for not more than four years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(d) If the conviction is for a gross misdemeanor not specified in paragraph (c), the stay shall be for not more than two years.

(e) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(f) If the conviction is for a misdemeanor not specified in paragraph (e), the stay shall be for not more than one year.

(g) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph (h), or the defendant has already been discharged.

(h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (g), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

(i) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (g), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

(1) the defendant has failed to complete court-ordered treatment successfully; and

(2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to sentences announced on or after that date.

Sec. 9. Minnesota Statutes 2023 Supplement, section 609.14, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct ~~which that~~ warrants the ~~imposing~~ adjudication of guilt, or imposition or execution of sentence, the court may without notice revoke the stay and direct that the defendant be taken into immediate custody. Revocation shall only be used as a last resort when rehabilitation has failed.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the Rules of Criminal Procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

(c) Notwithstanding the provisions of section 609.135 or any law to the contrary, after proceedings to revoke the stay have been initiated by a court order revoking the stay and directing either that the defendant be taken into custody or that a summons be issued in accordance with paragraph (a), the proceedings to revoke the stay may be concluded and the summary hearing provided by subdivision 2 may be conducted after the expiration of the stay or after the six-month period set forth in paragraph (b). The proceedings to revoke the stay shall not be dismissed on the basis that the summary hearing is conducted after the term of the stay or after the six-month period. The ability or inability to locate or apprehend the defendant prior to the expiration of the stay or during or after the six-month period shall not preclude the court from conducting the summary hearing unless the defendant demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Sec. 10. Minnesota Statutes 2022, section 609.14, subdivision 2, is amended to read:

Subd. 2. **Notification of grounds for revocation.** The defendant shall thereupon be notified in writing and in such manner as the court directs of the grounds alleged to exist for revocation of the stay ~~of imposition or execution of sentence~~. If such grounds are brought in issue by the defendant, a summary hearing shall be held thereon at which the defendant is entitled to be heard and to be represented by counsel.

Sec. 11. Minnesota Statutes 2022, section 609.14, subdivision 3, is amended to read:

Subd. 3. **Sentence.** If any of such grounds are found to exist the court may:

(1) if imposition of sentence was previously stayed, again stay sentence or impose sentence and stay the execution thereof, and in either event place the defendant on probation or order intermediate sanctions pursuant to section 609.135, or impose sentence and order execution thereof; ~~or~~

(2) if sentence was previously imposed and execution thereof stayed, continue such stay and place the defendant on probation or order intermediate sanctions in accordance with the provisions of section 609.135, or order execution of the sentence previously imposed; or

(3) if adjudication was stayed or prosecution was deferred, continue the stay without intermediate sanctions, continue it with intermediate sanctions, or adjudicate guilt and proceed as otherwise provided, including, in the event of a felony conviction, as provided in section 244.10.

Sec. 12. Minnesota Statutes 2022, section 609.14, is amended by adding a subdivision to read:

Subd. 5. **Definition.** For the purposes of this section, "stay" means a stay of adjudication, a stay of imposition, a stay of execution, or a deferred prosecution.

Sec. 13. Minnesota Statutes 2022, section 609.324, subdivision 1, is amended to read:

Subdivision 1. **Engaging in, hiring, or agreeing to hire minor to engage in prostitution; penalties.** (a) Whoever intentionally does any of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$40,000, or both:

(1) engages in prostitution with an individual under the age of 14 years;

(2) hires or offers or agrees to hire an individual under the age of 14 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 14 years to engage in sexual penetration or sexual contact.

(b) Whoever intentionally does any of the following 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:

(1) engages in prostitution with an individual under the age of 16 years but at least 14 years;

(2) hires or offers or agrees to hire an individual under the age of 16 years but at least 14 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 16 years but at least ~~13~~ 14 years to engage in sexual penetration or sexual contact.

(c) Whoever intentionally does any of the following 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:

(1) engages in prostitution with an individual under the age of 18 years but at least 16 years;

(2) hires or offers or agrees to hire an individual under the age of 18 years but at least 16 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 18 years but at least 16 years to engage in sexual penetration or sexual contact.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 14. **[609.84] SALE OF CALCIFIED HUMAN REMAINS.**

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

(b) "Human remains" means the calcified portion of a dead human body, not including isolated teeth; the cremated remains of a dead human body deposited in a container or discrete feature; or the hydrolyzed remains of a dead human body deposited in a container or discrete feature.

(c) "Law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f).

(d) "Local organization for emergency management" has the meaning given in section 12.03, subdivision 6.

(e) "Search and rescue unit" means an organization, team, or individual authorized by the state or federal government, a Tribal government, or by a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679 whose mission is to locate lost, missing, or trapped persons, victims of natural or other disasters, and human bodies.

Subd. 2. **Sale of calcified human remains prohibited; donation and reimbursement.** (a) Except as provided in paragraph (b), a person is prohibited from selling calcified human remains or offering calcified human remains for sale.

(b) Paragraph (a) shall not be construed to limit the donation of human remains:

(1) to a licensed health care provider, an individual employed by or under contract with a licensed health care provider, a public or private postsecondary educational institution, or an individual employed by or under contract with a public or private postsecondary educational institution, for legitimate medical or scientific purposes or for educational purposes;

(2) to a law enforcement agency, search and rescue unit, or local organization for emergency management to conduct search and rescue training or to train dogs to locate dead human bodies; or

(3) to a company registered with the United States Food and Drug Administration or an individual, company, or entity employed by or under contract with a company registered with the United States Food and Drug Administration for legitimate medical or scientific purposes including but not limited to the development, manufacturing, and research of medical products.

(c) Paragraph (a) does not apply to the sale or offer for sale of human remains that is incidental to the sale of real property, including undisturbed burial plots, cemeteries, crypts, or other burial features.

(d) Nothing in this section shall be construed to prohibit a person from recovering reasonable expenses for the processing, preservation, quality control, storage, and transportation or final disposition of human remains for the legitimate purposes as described in this section.

Subd. 3. **Penalty.** A person who violates this section is guilty of a felony.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to crimes committed on or after that date.

ARTICLE 4

PUBLIC SAFETY PROVISIONS

Section 1. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 23a. Search warrant. As used in this section, "search warrant" means a judicially approved search warrant obtained pursuant to the requirements in sections 626.04 to 626.18 or conforming statutes in an adjacent state.

Sec. 2. Minnesota Statutes 2022, section 169A.51, subdivision 3, is amended to read:

Subd. 3. **Blood or urine tests; search warrant required.** (a) Notwithstanding any contrary provisions in sections 169A.51 to 169A.53, a blood or urine test may be conducted only pursuant to a search warrant ~~under sections 626.04 to 626.18~~, or a judicially recognized exception to the search warrant requirement. In addition, blood and urine tests may be conducted only as provided in sections 169A.51 to 169A.53 and 171.177.

(b) When, under the provisions of section 169A.20, 169A.51, or 171.177, a search warrant is required for a blood or urine test, that requirement is met if a judicially recognized exception to the warrant requirement is applicable.

Sec. 3. Minnesota Statutes 2023 Supplement, 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; 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 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. 4. Minnesota Statutes 2022, section 171.177, subdivision 1, is amended to read:

Subdivision 1. **Search warrant-required testing advisory.** At the time a blood or urine test is directed pursuant to a search warrant ~~under sections 626.04 to 626.18~~, the person must be informed that refusal to submit to a blood or urine test is a crime.

Sec. 5. Minnesota Statutes 2022, section 171.177, subdivision 3, is amended to read:

Subd. 3. **License revocation pursuant to search warrant.** After executing a search warrant ~~under sections 626.04 to 626.18~~ for the collection of a blood or urine sample based upon probable cause of a violation of section 169A.20, the peace officer acting under sections 626.13 to 626.17 shall certify to the commissioner of public safety:

(1) when a person refuses to comply with the execution of the search warrant; or

(2) if a person submits to the test and the test results indicate:

(i) an alcohol concentration of 0.08 or more;

(ii) an alcohol concentration of 0.04 or more, if the person was driving, operating, or in physical control of a commercial motor vehicle at the time of the violation; or

(iii) the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols.

Sec. 6. Minnesota Statutes 2022, section 171.177, subdivision 4, is amended to read:

Subd. 4. **Test refusal; license revocation.** (a) Upon certification under subdivision 3 that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person refused to comply with the execution of the search warrant ~~under sections 626.04 to 626.18~~, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege. The commissioner shall revoke the license, permit, or nonresident operating privilege:

(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;

(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;

(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than two years;

(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;

(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or

(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.

(b) When a person who had been driving, operating, or in physical control of a commercial motor vehicle refuses to comply with the search warrant and permit testing, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 7. Minnesota Statutes 2022, section 171.177, subdivision 5, is amended to read:

Subd. 5. **Test failure; license revocation.** (a) Upon certification under subdivision 3; pursuant to a search warrant ~~under sections 626.04 to 626.18~~, that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege:

(1) for a period of 90 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;

(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;

(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than one year or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;

(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;

(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or

(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165.

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 8. Minnesota Statutes 2022, section 171.177, subdivision 8, is amended to read:

Subd. 8. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test pursuant to a search warrant ~~under sections 626.04 to 626.18~~ shall serve immediate notice of intention to revoke and of revocation on

a person who refuses to permit a test or on a person who submits to a test, the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle pursuant to a search warrant ~~under sections 626.04 to 626.18~~ shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test or on a person who submits to a test, the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card by clipping the upper corner of the card in such a way that no identifying information including the photo is destroyed, and immediately return the card to the person;

(2) issue the person a temporary license effective for only seven days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 4 or 5.

Sec. 9. Minnesota Statutes 2022, section 171.177, subdivision 12, is amended to read:

Subd. 12. **Judicial hearing; issues, order, appeal.** (a) A judicial review hearing under this section must be before a district judge in any county in the judicial district where the alleged offense occurred. The hearing is to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169A.20, if any. The hearing must be recorded. The commissioner shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved. The hearing must be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the locations within the judicial district where terms of district court are held.

(b) The scope of the hearing is limited to the issues in clauses (1) to (13):

(1) Did the peace officer have probable cause to believe the person was driving, operating, or in physical control of a motor vehicle or commercial motor vehicle in violation of section 169A.20?

(2) Was the person lawfully placed under arrest for violation of section 169A.20?

(3) Was the person involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death?

(4) Did a licensed peace officer apply for a search warrant in accordance with the requirements set forth in sections 626.04 to 626.18 or conforming statutes in an adjacent state?

(5) Did a neutral magistrate review the application for a search warrant and determine there was probable cause to believe that the person was driving, operating, or in physical control of a motor vehicle or commercial motor vehicle in violation of section 169A.20?

(6) Was the search warrant and the process by which it was obtained valid?

(7) At the time of directing the person to take the test, did the peace officer inform the person that refusing the test was a crime as required by subdivision 1?

(8) Did the person refuse to permit the test?

(9) If a test was taken by a person driving, operating, or in physical control of a motor vehicle, did the test results indicate at the time of testing:

(i) an alcohol concentration of 0.08 or more; or

(ii) the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols?

(10) If a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle, did the test results indicate an alcohol concentration of 0.04 or more at the time of testing?

(11) Was the testing method used valid and reliable and were the test results accurately evaluated?

(12) Did the person prove the defense of necessity?

(13) Did the person prove the defense of controlled substance use in accordance with a prescription?

(c) Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses, and certificates are admissible as substantive evidence.

(d) The court shall order that the revocation or disqualification be either rescinded or sustained and forward the order to the commissioner. The court shall file its order within 14 days following the hearing. If the revocation or disqualification is sustained, the court shall also forward the person's driver's license or permit to the commissioner for further action by the commissioner if the license or permit is not already in the commissioner's possession.

(e) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Appellate Procedure.

(f) The civil hearing under this section shall not give rise to an estoppel on any issues arising from the same set of circumstances in any criminal prosecution.

(g) It is an affirmative defense for the petitioner to prove a necessity.

(h) It is an affirmative defense to the presence of a Schedule I or II controlled substance that the person used the controlled substance according to the terms of a prescription issued for the person according to sections 152.11 and 152.12, unless the court finds by a preponderance of the evidence that the use of the controlled substance impaired the person's ability to operate a motor vehicle.

Sec. 10. Minnesota Statutes 2022, section 243.05, subdivision 1b, is amended to read:

Subd. 1b. **Victim's rights.** (a) This subdivision applies to parole decisions relating to inmates convicted of first-degree murder who are described in subdivision 1, clauses (a) and (b). As used in this subdivision, "victim" ~~means the murder victim's surviving spouse or next of kin~~ has the meaning given in section 611A.01, paragraph (b).

(b) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's parole review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be paroled at that time. The commissioner must consider the victim's statement when making the parole decision.

Sec. 11. Minnesota Statutes 2022, section 243.166, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) As used in this section, unless the context clearly indicates otherwise, the following terms have the meanings given them.

(b) "Bureau" means the Bureau of Criminal Apprehension.

(c) "Conservator" has the meaning given in chapter 524.

~~(d)~~ (d) "Corrections agent" means a county or state probation agent or other corrections employee. The term also includes United States Probation and Pretrial Services System employees who work with a person subject to this section.

~~(e)~~ (e) "Dwelling" means the building where the person lives under a formal or informal agreement to do so. However, dwelling does not include a supervised publicly or privately operated shelter or facility designed to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5.

(f) "Guardian" has the meaning given in chapter 524.

~~(g)~~ (g) "Incarceration" and "confinement" do not include electronic home monitoring.

~~(h)~~ (h) "Law enforcement authority" or "authority" means the chief of police of a home rule charter or statutory city and the county sheriff of an unincorporated area in that county. An authority must be located in Minnesota.

~~(i)~~ (i) "Motor vehicle" has the meaning given in section 169.011, subdivision 92.

(j) "Power of attorney" has the meaning given in chapter 523.

~~(k)~~ (k) "Primary address" means the mailing address of the person's dwelling. If the mailing address is different from the actual location of the dwelling, primary address also includes the physical location of the dwelling described with as much specificity as possible.

~~(l)~~ (l) "School" includes any public or private educational institution, including any secondary school, trade, or professional institution, or institution of higher education, that the person is enrolled in on a full-time or part-time basis.

~~(j)~~ (m) "Secondary address" means the mailing address of any place where the person regularly or occasionally stays overnight when not staying at the person's primary address. If the mailing address is different from the actual location of the place, secondary address also includes the physical location of the place described with as much specificity as possible. However, the location of a supervised publicly or privately operated shelter or facility designated to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5, does not constitute a secondary address.

~~(k)~~ (n) "Treatment facility" means a residential facility, as defined in section 244.052, subdivision 1, and residential substance use disorder treatment programs and halfway houses licensed under chapter 245A, including, but not limited to, those facilities directly or indirectly assisted by any department or agency of the United States.

~~(l)~~ (o) "Work" includes employment that is full time or part time for a period of time exceeding 14 days or for an aggregate period of time exceeding 30 days during any calendar year, whether financially compensated, volunteered, or for the purpose of government or educational benefit.

Sec. 12. Minnesota Statutes 2023 Supplement, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3, paragraph (b); or 609.3453;

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (h);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit any of the following and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) criminal abuse in violation of Minnesota Statutes 2020, section 609.2325, subdivision 1, paragraph (b);

~~(ii) false imprisonment in violation of section 609.255, subdivision 2;~~

~~(iii)~~ (ii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

~~(iv)~~ (iii) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);

~~(v)~~ (iv) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);

~~(vi)~~ (v) using a minor in a sexual performance in violation of section 617.246; or

~~(vii)~~ (vi) possessing or disseminating a pornographic work involving a minor in violation of section 617.247;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to an offense or involving similar circumstances to an offense described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state similar to an offense or involving similar circumstances to an offense described in paragraph (a), clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer or for an aggregate period of time exceeding 30 days during any calendar year; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States,

or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

EFFECTIVE DATE. This section is effective July 1, 2024, and applies to:

(1) convictions and delinquency adjudications for a violation of Minnesota Statutes, section 609.255, subdivision 2, or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency adjudications for such an offense that are not yet final on that date; and

(2) convictions and delinquency adjudications for disseminating a pornographic work involving a minor in violation of Minnesota Statutes, section 617.247, or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency adjudications for such an offense that occurred before that date if the court told the person of the duty to register.

Sec. 13. Minnesota Statutes 2022, section 243.166, subdivision 3, is amended to read:

Subd. 3. **Registration procedure.** (a) Except as provided in subdivision 3a, a person required to register under this section shall register with the corrections agent as soon as the agent is assigned to the person. If the person does not have an assigned corrections agent or is unable to locate the assigned corrections agent, the person shall register with the law enforcement authority that has jurisdiction in the area of the person's primary address.

(b) Except as provided in subdivision 3a, at least five days before the person starts living at a new primary address, including living in another state, the person shall give written notice of the new primary address to the assigned corrections agent or to the law enforcement authority with which the person currently is registered. If the person will be living in a new state and that state has a registration requirement, the person shall also give written notice of the new address to the designated registration agency in the new state. A person required to register under this section shall also give written notice to the assigned corrections agent or to the law enforcement authority that has jurisdiction in the area of the person's primary address that the person is no longer living or staying at an address, immediately after the person is no longer living or staying at that address. The written notice required by this paragraph must be provided in person. The corrections agent or law enforcement authority shall, within two business days after receipt of this information, forward it to the bureau. The bureau shall, if it has not already been done, notify the law enforcement authority having primary jurisdiction in the community where the person will live of the new address. If the person is leaving the state, the bureau shall notify the registration authority in the new state of the new address. The person's registration requirements under this section are suspended after the person begins living in the new state and the bureau has confirmed the address in the other state through the annual verification process on at least one occasion. The bureau may also attempt to confirm the person's address in the other state by the following methods:

(1) receipt of a verification letter from the law enforcement authority having primary jurisdiction in the community where the person is now living, acknowledging the person's address;

(2) receipt of a written communication or verification letter from a criminal justice agency confirming the person's location;

(3) confirmation of the individual's compliance with registration requirements or incarceration status in the new state via an online registry or website, if applicable; or

(4) confirmation of the individual's motor vehicle records under United States Code, title 18, section 2721, in the new state via the new state's documentation.

The bureau is the sole determinant as to whether the information provided by any of the methods in clauses (1) to (3) is sufficient for verification purposes and may use more than one of these methods to satisfy the verification requirement. For purposes of this subdivision, "criminal justice agency" means an agency of a state, a political subdivision, a federally recognized Tribe, a United States territory, or the federal government charged with detection, enforcement, prosecution, adjudication, or incarceration with respect to federal or state criminal laws. The person's registration requirements under this section are reactivated if the person resumes living in Minnesota and the registration time period described in subdivision 6 has not expired.

(c) A person required to register under subdivision 1b, paragraph (b), because the person is working or attending school in Minnesota shall register with the law enforcement authority that has jurisdiction in the area where the person works or attends school. In addition to other information required by this section, the person shall provide the address of the school or of the location where the person is employed. A person shall comply with this paragraph within five days of beginning employment or school. A person's obligation to register under this paragraph terminates when the person is no longer working or attending school in Minnesota.

(d) A person required to register under this section who works or attends school outside of Minnesota shall register as a predatory offender in the state where the person works or attends school. The person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority that has jurisdiction in the area of the person's primary address shall notify the person of this requirement.

Sec. 14. Minnesota Statutes 2022, section 243.166, is amended by adding a subdivision to read:

Subd. 4d. **Guardians, conservators, and power of attorney.** Guardians and conservators of persons required to register shall have the authority to complete all verification and registration paperwork under this section and section 243.167 on the person's behalf. A validly executed power of attorney under chapter 523 grants the attorney in fact the authority to complete all verification and registration paperwork under this section and section 243.167 on behalf of a person required to register.

Sec. 15. Minnesota Statutes 2022, section 243.166, subdivision 6, is amended to read:

Subd. 6. **Registration period.** (a) Notwithstanding the provisions of section 609.165, subdivision 1, and except as provided in paragraphs (b), (c), and (d), a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person

initially registered in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. For a person required to register under this section who is committed under section 253B.18, Minnesota Statutes 2012, section 253B.185, or chapter 253D, the ten-year registration period does not include the period of commitment.

(b) If a person required to register under this section fails to provide the person's primary address as required by subdivision 3, paragraph (b), fails to comply with the requirements of subdivision 3a, fails to provide information as required by subdivision 4a, or fails to return the verification form referenced in subdivision 4 within ten days, the commissioner of public safety shall require the person to continue to register for an additional period of five years. This five-year period is added to the end of the offender's registration period.

(c) If a person required to register under this section is incarcerated due to a conviction for a new offense that requires registration under this section or section 243.167 or following a revocation of probation, supervised release, or conditional release for ~~any~~ an offense that requires registration under this section or section 243.167, the person shall continue to register until ten years have elapsed since the person was last released from incarceration or until the person's probation, supervised release, or conditional release period expires, whichever occurs later.

(d) A person shall continue to comply with this section for the life of that person:

(1) if the person is convicted of or adjudicated delinquent for any offense for which registration is required under subdivision 1b, or any offense from another state or any federal offense similar to the offenses described in subdivision 1b, and the person has a prior conviction or adjudication for an offense for which registration was or would have been required under subdivision 1b, or an offense from another state or a federal offense similar to an offense described in subdivision 1b;

(2) if the person is required to register based upon a conviction or delinquency adjudication for an offense under section 609.185, paragraph (a), clause (2), or a similar statute from another state or the United States;

(3) if the person is required to register based upon a conviction for an offense under section 609.342, subdivision 1, clause (a) to (c) or (e), or subdivision 1a, clause (a) to (e) or (h); 609.343, subdivision 1, clause (a) to (c) or (e), or subdivision 1a, clause (a) to (e) or (h); 609.344, subdivision 1, clause (a) or (c), or subdivision 1a, clause (a), (c), (g), or (h); or 609.345, subdivision 1, clause (a) or (c), or subdivision 1a, clause (a), (c), (g), or (h); or a statute from another state or the United States similar to the offenses described in this clause; or

(4) if the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States.

(e) A person described in subdivision 1b, paragraph (b), who is required to register under the laws of a state in which the person has been previously convicted or adjudicated delinquent, shall register under this section for the time period required by the state of conviction or adjudication unless a longer time period is required elsewhere in this section.

EFFECTIVE DATE. This section is effective July 1, 2024, and applies to convictions and revocations of probation, supervised release, or conditional release that occur on or after that date and to convictions that are not yet final on that date.

Sec. 16. Minnesota Statutes 2022, section 244.052, subdivision 3, is amended to read:

Subd. 3. **End-of-confinement review committee.** (a) The commissioner of corrections shall establish and administer end-of-confinement review committees at each state correctional facility and at each state treatment facility where predatory offenders are confined. The committees shall assess on a case-by-case basis the public risk posed by predatory offenders who are about to be released from confinement.

(b) Each committee shall be a standing committee and shall consist of the following members appointed by the commissioner:

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

(4) a caseworker experienced in supervising sex offenders; and

(5) a victim's services professional.

Members of the committee, other than the facility's chief executive officer or head, shall be appointed by the commissioner to two-year terms. The chief executive officer or head of the facility or designee shall act as chair of the committee and shall use the facility's staff, as needed, to administer the committee, obtain necessary information from outside sources, and prepare risk assessment reports on offenders.

(c) The committee shall have access to the following data on a predatory offender only for the purposes of its assessment and to defend the committee's risk assessment determination upon administrative review under this section:

(1) private medical data under section 13.384 or sections 144.291 to 144.298, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

Data collected and maintained by the committee under this paragraph may not be disclosed outside the committee, except as provided under section 13.05, subdivision 3 or 4. The predatory offender has access to data on the offender collected and maintained by the committee, unless the data are confidential data received under this paragraph.

(d)(i) Except as otherwise provided in items (ii), (iii), and (iv), at least 90 days before a predatory offender is to be released from confinement, the commissioner of corrections shall convene the appropriate end-of-confinement review committee for the purpose of assessing the risk presented by the offender and determining the risk level to which the offender shall be assigned under paragraph (e). The offender and the law enforcement agency that was responsible for the charge resulting in confinement shall be notified of the time and place of the committee's meeting. The offender has a right to be present and be heard at the meeting. The law enforcement agency, agent, and victim may provide material in writing that is relevant to the offender's risk level to the chair of the committee. The committee shall use the risk factors described in paragraph (g) and the risk assessment scale developed under subdivision 2 to determine the offender's risk assessment score and risk level. Offenders scheduled for release from confinement shall be assessed by the committee established at the facility from which the offender is to be released.

(ii) If an offender is received for confinement in a facility with less than 90 days remaining in the offender's term of confinement, the offender's risk shall be assessed at the first regularly scheduled end of confinement review committee that convenes after the appropriate documentation for the risk assessment is assembled by the committee. The commissioner shall make reasonable efforts to ensure that offender's risk is assessed and a risk level is assigned or reassigned at least 30 days before the offender's release date.

(iii) If the offender is subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, the commissioner of corrections shall convene the appropriate end-of-confinement review committee at least nine months before the offender's minimum term of imprisonment has been served. If the offender is received for confinement in a facility with less than nine months remaining before the offender's minimum term of imprisonment has been served, the committee shall conform its procedures to those outlined in item (ii) to the extent practicable.

(iv) If the offender is granted supervised release, the commissioner of corrections shall notify the appropriate end-of-confinement review committee that it needs to review the offender's previously determined risk level at its next regularly scheduled meeting. The commissioner shall make reasonable efforts to ensure that the offender's earlier risk level determination is reviewed and the risk level is confirmed or reassigned at least 60 days before the offender's release date. The committee shall give the report to the offender and to the law enforcement agency, and the commissioner shall provide notice of the risk level assignment to the victim, if requested, at least 60 days before an offender is released from confinement.

(e) The committee shall assign to risk level I a predatory offender whose risk assessment score indicates a low risk of reoffense. The committee shall assign to risk level II an offender whose risk assessment score indicates a moderate risk of reoffense. The committee shall assign to risk level III an offender whose risk assessment score indicates a high risk of reoffense.

(f) Before the predatory offender is released from confinement, the committee shall prepare a risk assessment report which specifies the risk level to which the offender has been assigned and the reasons underlying the committee's risk assessment decision. Except for an offender subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, who has not been granted supervised release, the committee shall give the report to the offender and to the law enforcement agency, and the commissioner shall provide notice of the risk level assignment to the victim, if requested, at least 60 days before an offender is released from confinement. If the offender is subject

to a mandatory life sentence and has not yet served the entire minimum term of imprisonment, the committee shall give the report to the offender and to the commissioner at least six months before the offender is first eligible for release. If the risk assessment is performed under the circumstances described in paragraph (d), item (ii), the report shall be given to the offender and the law enforcement agency as soon as it is available. The committee also shall inform the offender of the availability of review under subdivision 6.

(g) As used in this subdivision, "risk factors" includes, but is not limited to, the following factors:

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

- (i) the degree of likely force or harm;
- (ii) the degree of likely physical contact; and
- (iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

- (i) the relationship of prior victims to the offender;
- (ii) the number of prior offenses or victims;
- (iii) the duration of the offender's prior offense history;

(iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and

(v) the offender's prior history of other antisocial acts;

(3) the offender's characteristics. This factor includes consideration of the following:

- (i) the offender's response to prior treatment efforts; and
- (ii) the offender's history of substance abuse;

(4) the availability of community supports to the offender. This factor includes consideration of the following:

(i) the availability and likelihood that the offender will be involved in therapeutic treatment;

(ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;

(iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and

(iv) the offender's lack of education or employment stability;

(5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and

(6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.

(h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.

(i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after three years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. In order for a request for a risk level reduction to be granted, the offender must demonstrate full compliance with supervised release conditions, completion of required post-release treatment programming, and full compliance with all registration requirements as detailed in section 243.166. The offender must also not have been convicted of any felony, gross misdemeanor, or misdemeanor offenses subsequent to the assignment of the original risk level. The committee shall follow the process outlined in paragraphs (a) to (c) in the reassessment. An offender who is incarcerated may not request a reassessment under this paragraph.

(j) Offenders returned to prison as release violators shall not have a right to a subsequent risk reassessment by the end-of-confinement review committee unless substantial evidence indicates that the offender's risk to the public has increased.

(k) If the committee assigns a predatory offender to risk level III, the committee shall determine whether residency restrictions shall be included in the conditions of the offender's release based on the offender's pattern of offending behavior.

Sec. 17. Minnesota Statutes 2022, section 253B.18, subdivision 5a, is amended to read:

Subd. 5a. **Victim notification of petition and release; right to submit statement.** (a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4e, and also includes offenses listed in section 253D.02, subdivision 8, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime the behavior for which forms the basis for a commitment under this section or chapter 253D, and includes the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or chapter 253D that an act or acts constituting a crime occurred or were part of their course of harmful sexual conduct.

(b) A county attorney who files a petition to commit a person under this section or chapter 253D shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition and the process for requesting notification of an individual's change in status as provided in paragraph (c).

(c) A victim may request notification of an individual's discharge or release as provided in paragraph (d) by submitting a written request for notification to the executive director of the facility in which the individual is confined. The Department of Corrections or a county attorney who receives a request for notification from a victim under this section shall promptly forward the request to the executive director of the treatment facility in which the individual is confined.

(d) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section from a state-operated treatment program or treatment facility, the head of the state-operated treatment program or head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the medical director, special review board, or commissioner with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the commissioner shall provide the judicial appeal panel with victim information in order to comply with the provisions of this section. The judicial appeal panel shall ensure that the data on victims remains private as provided for in section 611A.06, subdivision 4. These notices shall only be provided to victims who have submitted a written request for notification as provided in paragraph (c).

(e) The rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5 or section 253D.14.

Sec. 18. Minnesota Statutes 2022, section 253D.14, subdivision 1, is amended to read:

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

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4e, and also includes offenses listed in section 253D.02, subdivision 8, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime, the behavior for which forms the basis for a commitment under this chapter, and includes the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or section 253B.18, that an act or acts constituting a crime occurred.

Sec. 19. Minnesota Statutes 2022, section 260B.198, subdivision 7, is amended to read:

Subd. 7. **Continuance.** (a) When it is in the best interests of the child to do so and not inimical to public safety and when the child has admitted the allegations contained in the petition before the judge or referee, or when a hearing has been held as provided for in section 260B.163 and the allegations contained in the petition have been duly proven but, in either case, before a finding of delinquency has been entered, the court may continue the case for a period not to exceed 180 days on any one order. Except as otherwise provided in paragraph (c), the continuance may be extended for one additional successive period not to exceed 180 days, but only with the consent of the prosecutor and only after the court has reviewed the case and entered its order for the additional continuance without a finding of delinquency. During a continuance the court may enter an order in accordance with the provisions of subdivision 1, except clause (4), or enter an order to hold the child in detention for a period not to exceed 15 days on any one order for the purpose of completing any consideration, or any investigation or examination ordered in accordance with the provisions of section 260B.157.

(b) A prosecutor may appeal a continuance ordered in contravention of this subdivision. This subdivision does not extend the court's jurisdiction under section 260B.193 and does not apply to an extended jurisdiction juvenile proceeding.

(c) A continuance granted under paragraph (a) for a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23 or another offense arising out of a delinquency petition based on one or more of those sections that would require the child to register as a predatory offender under section 243.166, may be extended for additional successive periods not to exceed a total of 24 months so the offender can receive sex offender treatment, but only with the consent of the prosecutor and only after the court has reviewed the case and entered its order for the additional continuance without a finding of delinquency.

Sec. 20. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a ~~permanent~~ record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal or a motor vehicle. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased or acquired and a unique transaction identifier;

(3) a photocopy or electronic scan of the seller's proof of identification including the identification number;

(4) the amount paid and the number of the check or electronic transfer used to purchase or acquire the scrap metal or motor vehicle;

(5) the license plate number and description of the vehicle used by the person when delivering the scrap metal or motor vehicle, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

(6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;

(7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal or motor vehicle was received by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount paid for the scrap metal or motor vehicle; and

~~(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source. The alternative number must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement; and~~

~~(9)~~ (8) the identity or identifier of the employee completing the transaction.

(b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.

(c) Except for the purchase or acquisition of detached catalytic converters or motor vehicles, no record is required for property purchased or acquired from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased or acquired at open sale from any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.

(d) The dealer must provide a copy of the receipt required under paragraph (a), clause (7), to the seller in every transaction.

(e) The commissioner of public safety and law enforcement agencies in the jurisdiction where a dealer is located may conduct inspections and audits as necessary to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.

(f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 21. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 11, is amended to read:

Subd. 11. Prohibition on possessing catalytic converters; exception. (a) It is unlawful for a person to possess a used catalytic converter that is not attached to a motor vehicle except when:

(1) the converter is marked with the date the converter was removed from the vehicle and the identification number of the vehicle from which the converter was removed or ~~an alternative number to the vehicle identification number~~, as an alternative to the vehicle identification number, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source; or

(2) the converter has been EPA certified for reuse as a replacement part.

(b) If an alternative number to the vehicle identification number is used, it must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement. The marking of the vehicle identification or alternative number may be made in any permanent manner, including but not limited to an engraving or use of permanent ink. The marking must clearly and legibly indicate the date removed and the vehicle identification number or the alternative number and the method by which law enforcement can link the converter to the vehicle identification number.

Sec. 22. Minnesota Statutes 2023 Supplement, section 609.35, is amended to read:

609.35 COSTS OF MEDICAL EXAMINATION.

(a) Costs incurred by a hospital or other emergency medical facility or by a physician, sexual assault nurse examiner, forensic nurse, or other licensed health care provider for the examination of a victim of criminal sexual conduct that occurred in the state shall be paid by the state. These costs include, but are not limited to, the cost of the medical forensic examination, associated tests and treatments relating to sexually transmitted infection, and pregnancy status, including emergency contraception. A hospital, emergency medical facility, or health care provider shall submit the costs for examination and any associated tests and treatment to the Office of Justice Programs for payment.

Upon receipt of the costs, the commissioner shall provide payment to the facility or health care provider. Reimbursement for an examination and any associated test and treatments shall not exceed \$1,400. Beginning on January 1, 2024, the maximum amount of an award shall be adjusted annually by the inflation rate.

(b) Nothing in this section shall be construed to limit the duties, responsibilities, or liabilities of any insurer, whether public or private. The hospital or other licensed health care provider performing the examination may seek insurance reimbursement from the victim's insurer only if authorized by the victim. This authorization may only be sought after the examination is performed. When seeking this authorization, the hospital or other licensed health care provider shall inform the victim that if the victim does not authorize this, the state is required by law to pay for the examination and that the victim is in no way liable for these costs or obligated to authorize the reimbursement.

(c) The applicability of this section does not depend upon whether the victim reports the offense to law enforcement or the existence or status of any investigation or prosecution.

(d) Requests for reimbursement and supporting documents are private data on individuals as defined in section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to data requests received before that date if the responsible authority has not yet provided a response.

Sec. 23. Minnesota Statutes 2023 Supplement, section 611A.039, subdivision 1, is amended to read:

Subdivision 1. **Notice required.** (a) Except as otherwise provided in subdivision 2, within 15 working days after a conviction, acquittal, or dismissal in a criminal case in which there is an identifiable crime victim, the prosecutor shall make reasonable good faith efforts to provide to each affected crime victim oral or written notice of the final disposition of the case and of the victim rights under section 611A.06. When the court is considering modifying the sentence for a felony or a crime of violence or an attempted crime of violence, the prosecutor shall make a reasonable and good faith effort to notify the victim of the crime. ~~If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian.~~ The notice must include:

- (1) the date and approximate time of the review;
- (2) the location where the review will occur;
- (3) the name and telephone number of a person to contact for additional information; and

(4) a statement that the victim ~~and victim's family~~ may provide input to the court concerning the sentence modification.

(b) The Office of Justice Programs in the Department of Public Safety shall develop and update a model notice of postconviction rights under this subdivision and section 611A.06.

(c) As used in this section,;

(1) "crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes violations of section 609.3458, gross misdemeanor violations of section 609.224, and nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749; and

(2) "victim" has the meaning given in section 611A.01, paragraph (b).

Sec. 24. Minnesota Statutes 2022, section 611A.06, is amended by adding a subdivision to read:

Subd. 2a. **Notice of end-of-confinement review committee process and opportunity to provide input.** If an individual scheduled to be released from imprisonment is subject to an end-of-confinement review under section 244.052, the commissioner of corrections shall make a good faith effort to notify the victim of the end-of-confinement review process and that the victim has a right to submit written input for consideration at the end-of-confinement review hearing. The victim has a continuing right to submit input if the end-of-confinement review committee receives a request to reassess the individual's assigned risk level. These notices shall only be provided to victims who have submitted a written request for this notice to the commissioner of corrections or an electronic request through the Department of Corrections electronic victim notification system. The good faith effort to notify the victim must occur before the offender's end-of-confinement review hearing and provide sufficient time for the input to be considered in the end-of-confinement determination.

Sec. 25. Minnesota Statutes 2022, section 611A.212, subdivision 1, is amended to read:

Subdivision 1. **Grants.** The commissioner of public safety shall award grants for statewide organizations to provide subgrants, support, resources, and technical assistance to sexual assault programs that provide sexual assault primary prevention services to prevent initial perpetration or victimization of sexual assault.

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

Sec. 26. Minnesota Statutes 2023 Supplement, section 611A.52, subdivision 5, is amended to read:

Subd. 5. **Collateral source.** "Collateral source" means a source of benefits or advantages for economic loss otherwise reimbursable under sections 611A.51 to 611A.68 which the victim or claimant has received, or which is readily available to the victim, from:

(1) the offender;

(2) the government of the United States or any agency thereof, a state or any of its political subdivisions, or an instrumentality of two or more states, unless the law providing for the benefits or advantages makes them excess or secondary to benefits under sections 611A.51 to 611A.68;

(3) Social Security, Medicare, and Medicaid;

(4) state required temporary nonoccupational disability insurance;

(5) workers' compensation;

(6) wage continuation programs of any employer;

(7) proceeds of a contract of insurance payable to the victim for economic loss sustained because of the crime;

(8) a contract providing prepaid hospital and other health care services, or benefits for disability;
or

~~(9) any private source as a voluntary donation or gift; or~~

~~(10) (9) proceeds of a lawsuit brought as a result of the crime.~~

The term does not include a life insurance contract or benefits from any private source provided as a voluntary donation or gift.

Sec. 27. Minnesota Statutes 2022, section 611A.73, subdivision 4, is amended to read:

Subd. 4. **Victim.** ~~"Victim" refers to anyone or the next of kin of anyone who has been or purports to have been subjected to a criminal act, whether a felony, a gross misdemeanor, or misdemeanor has the meaning given in section 611A.01, paragraph (b).~~

Sec. 28. Minnesota Statutes 2022, section 629.72, subdivision 1, is amended to read:

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

(b) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.

(c) "Harass" and "stalking" have the meanings given in section 609.749.

(d) "Violation of a domestic abuse no contact order" has the meaning given in section 629.75.

(e) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.

(f) "Victim" has the meaning in section 611A.01, paragraph (b).

Sec. 29. Minnesota Statutes 2022, section 629.72, subdivision 7, is amended to read:

Subd. 7. **Notice to victim regarding bail hearing.** (a) When a person arrested for or a juvenile detained for domestic assault or harassing or stalking is scheduled to be reviewed under subdivision 2 for release from pretrial detention, the court shall make a reasonable good faith effort to notify:

~~(1) the victim of the alleged crime; .~~

~~(2) if the victim is incapacitated or deceased, the victim's family; and~~

~~(3) if the victim is a minor, the victim's parent or guardian.~~

(b) The notification must include:

(1) the date and approximate time of the review;

- (2) the location where the review will occur;
- (3) the name and telephone number of a person that can be contacted for additional information;
and
- (4) a statement that the victim ~~and the victim's family~~ may attend the review.

Sec. 30. Minnesota Statutes 2022, section 629.725, is amended to read:

629.725 NOTICE TO VICTIM REGARDING BAIL HEARING OF ARRESTED OR DETAINED PERSON.

(a) When a person arrested or a juvenile detained for a crime of violence or an attempted crime of violence is scheduled to be reviewed under section 629.715 for release from pretrial detention, the court shall make a reasonable and good faith effort to notify the victim of the alleged crime. ~~If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian.~~ The notification must include:

- (1) the date and approximate time of the review;
- (2) the location where the review will occur;
- (3) the name and telephone number of a person that can be contacted for additional information;
and
- (4) a statement that the victim and the victim's family may attend the review.

(b) As used in this section:

(1) "crime of violence" has the meaning given it in section 624.712, subdivision 5, and also includes:

- ~~(+)~~ (i) sections 609.2112, 609.2113, 609.2114, and 609.3458;
- ~~(2)~~ (ii) gross misdemeanor violations of section 609.224;
- ~~(3)~~ (iii) nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749;
and
- ~~(4)~~ (iv) Minnesota Statutes 2012, section 609.21; and

(2) "victim" has the meaning given in section 611A.01, paragraph (b).

Sec. 31. Minnesota Statutes 2022, section 629.73, subdivision 1, is amended to read:

Subdivision 1. **Oral notice.** When a person arrested or a juvenile detained for a crime of violence or an attempted crime of violence is about to be released from pretrial detention, the agency having custody of the arrested or detained person or its designee shall make a reasonable and good faith effort before release to inform orally the victim ~~or, if the victim is incapacitated, the same or next of kin, or if the victim is a minor, the victim's parent or guardian~~ of the following matters:

(1) the conditions of release, if any;

(2) the time of release;

(3) the time, date, and place of the next scheduled court appearance of the arrested or detained person and, where applicable, the victim's right to be present at the court appearance; and

(4) the location and telephone number of at least one area crime victim service provider as designated by the Office of Justice Programs in the Department of Public Safety.

Sec. 32. Minnesota Statutes 2022, section 629.73, is amended by adding a subdivision to read:

Subd. 4. **Definition.** As used in this section, "victim" has the meaning given in section 611A.01, paragraph (b).

Sec. 33. GRAND PORTAGE BAND OF LAKE SUPERIOR CHIPPEWA TRIBE; COAST GUARD SERVICES; GRANT PURPOSES EXPANSION.

In addition to the uses specified in Laws 2023, chapter 52, article 2, section 3, subdivision 3, paragraph (d), the Grand Portage Band of Lake Superior Chippewa may use the grant awarded for equipment, personnel, patrolling, and other related costs of providing coast guard services off the north shore of Lake Superior.

ARTICLE 5

MISCELLANEOUS CRIMINAL JUSTICE PROVISIONS

Section 1. Minnesota Statutes 2022, section 13.02, subdivision 3a, is amended to read:

Subd. 3a. **Criminal justice agencies.** "Criminal justice agencies" means all state and local prosecution authorities, all state and local law enforcement agencies, the Sentencing Guidelines Commission, the Bureau of Criminal Apprehension, the Department of Corrections, the Minnesota National Guard, and all probation officers who are not part of the judiciary.

Sec. 2. Minnesota Statutes 2022, section 260B.007, subdivision 6, is amended to read:

Subd. 6. **Delinquent child.** (a) Except as otherwise provided in paragraphs (b), ~~and~~ (c), and (d), "delinquent child" means a child:

(1) who has violated any state or local law, except as provided in section 260B.225, subdivision 1, and except for juvenile offenders as described in subdivisions 16 to 18;

(2) who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult;

(3) who has escaped from confinement to a state juvenile correctional facility after being committed to the custody of the commissioner of corrections; or

(4) who has escaped from confinement to a local juvenile correctional facility after being committed to the facility by the court.

(b) The term delinquent child does not include a child alleged to have committed murder in the first degree after becoming 16 years of age, but the term delinquent child does include a child alleged to have committed attempted murder in the first degree.

(c) The term delinquent child does not include a child alleged to have engaged in conduct which would, if committed by an adult, violate any federal, state, or local law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct.

(d) Effective August 1, 2026, and applied to acts committed on or after that date, the term delinquent child does not include a child alleged to have committed a delinquent act before becoming 13 years old.

Sec. 3. Minnesota Statutes 2022, section 260B.007, subdivision 16, is amended to read:

Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685, or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.

(b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a misdemeanor if committed by an adult.

(c) "Juvenile petty offense" does not include any of the following:

(1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;

(2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;

(3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

(4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender." The term juvenile petty offender does not include a child alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

(e) Effective August 1, 2026, and applied to acts committed on or after that date, notwithstanding any contrary provision in paragraphs (a) to (d), a juvenile petty offender does not include a child who is alleged to have committed a juvenile petty offense before reaching the age of 13 years.

Sec. 4. Minnesota Statutes 2022, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03, subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) has committed a delinquent act or a juvenile petty offense before becoming ten years old. This clause expires July 31, 2026;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; ~~or~~

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child; or

(17) effective August 1, 2026, has committed a delinquent act or a juvenile petty offense before becoming 13 years old.

Sec. 5. Minnesota Statutes 2022, section 590.01, subdivision 4, is amended to read:

Subd. 4. **Time limit.** (a) No petition for postconviction relief may be filed more than two years after the later of:

(1) the entry of judgment of conviction or sentence if no direct appeal is filed; or

(2) an appellate court's disposition of petitioner's direct appeal.

(b) Notwithstanding paragraph (a), a court may hear a petition for postconviction relief if:

(1) the petitioner establishes that a physical disability or mental disease precluded a timely assertion of the claim;

(2) the petitioner alleges the existence of newly discovered evidence, including scientific evidence, that provides facts necessary to sustain one or more legally cognizable claims for postconviction relief, if such evidence could not have been ascertained by the exercise of due

diligence by the petitioner or petitioner's attorney within the two-year time period for filing a postconviction petition, ~~and the evidence is not cumulative to evidence presented at trial, and is not for impeachment purposes, and establishes by a clear and convincing standard that the petitioner is innocent of the offense or offenses for which the petitioner was convicted;~~

(3) the petitioner asserts a new interpretation of federal or state constitutional or statutory law by either the United States Supreme Court or a Minnesota appellate court and the petitioner establishes that this interpretation is retroactively applicable to the petitioner's case; or

(4) the petition is brought pursuant to subdivision 3; ~~or.~~

~~(5) the petitioner establishes to the satisfaction of the court that the petition is not frivolous and is in the interests of justice.~~

(c) Any petition invoking an exception provided in paragraph (b) must be filed within two years of the date the claim arises.

(d) Notwithstanding paragraph (a), (b), or (c), a court may hear a petition for postconviction relief regardless of when it is filed if the petitioner establishes to the satisfaction of the court that the petition is not frivolous and is in the interests of justice.

Sec. 6. Minnesota Statutes 2022, section 590.03, is amended to read:

590.03 PLEADINGS AND PRACTICE AFTER FILING A POSTCONVICTION PETITION.

Within ~~20~~45 days after the filing of the petition pursuant to section 590.01 or within such time as the judge to whom the matter has been assigned may fix, the county attorney, or the attorney general, on behalf of the state, shall respond to the petition by answer or motion which shall be filed with the court administrator of district court and served on the petitioner if unrepresented or on the petitioner's attorney. No further pleadings are necessary except as the court may order. The court may at any time prior to its decision on the merits permit a withdrawal of the petition, may permit amendments thereto, and to the answer. The court shall liberally construe the petition and any amendments thereto and shall look to the substance thereof and waive any irregularities or defects in form.

Sec. 7. Minnesota Statutes 2022, section 604A.05, subdivision 1, is amended to read:

Subdivision 1. **Person seeking medical providing assistance; immunity from prosecution.** A person acting in good faith who seeks medical assistance for or acts in concert with a person seeking medical assistance for another person who is experiencing a drug-related overdose may not be charged or prosecuted for the possession, sharing, or use of a controlled substance under section 152.023, subdivision 2, ~~clauses (4) and (6), 152.024, or 152.025, or possession of drug paraphernalia.~~ A person qualifies for the immunities provided in this subdivision only if:

(1) the evidence for the charge or prosecution was obtained as a result of the person's seeking medical assistance for or acting in concert with a person seeking medical assistance for another person; and

(2) the person seeks medical assistance for or acts in concert with a person seeking medical assistance for another person who is in need of medical assistance for an immediate health or safety concern, provided that the person ~~who seeks the medical assistance is the first person to seek the assistance~~, provides a name and contact information, remains on the scene until assistance arrives or is provided, and cooperates with the authorities.

Good faith does not include seeking medical assistance during the course of the execution of an arrest warrant or search warrant or a lawful search.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to acts committed on or after that date.

Sec. 8. Minnesota Statutes 2023 Supplement, section 609A.015, subdivision 3, as amended by Laws 2024, chapter 80, article 8, section 63, is amended to read:

Subd. 3. **Eligibility; certain criminal proceedings.** (a) A person is eligible for a grant of expungement relief if the person:

(1) was convicted of a qualifying offense;

(2) has not been convicted of a new offense, other than an offense that would be a petty misdemeanor, in Minnesota:

(i) during the applicable waiting period immediately following discharge of the disposition or sentence for the crime; or

(ii) during the applicable waiting period immediately preceding a subsequent review performed pursuant to subdivision 5, paragraph (a); and

(3) is not charged with an offense, other than an offense that would be a petty misdemeanor, in Minnesota at the time the person reaches the end of the applicable waiting period or at the time of a subsequent review.

(b) As used in this subdivision, "qualifying offense" means a conviction for:

(1) any petty misdemeanor offense other than a violation of a traffic regulation relating to the operation or parking of motor vehicles;

(2) any misdemeanor offense other than:

(i) section 169A.20 under the terms described in section 169A.27 (fourth-degree driving while impaired);

(ii) section 518B.01, subdivision 14 (violation of an order for protection);

(iii) section 609.224 (assault in the fifth degree);

(iv) section 609.2242 (domestic assault);

(v) section 609.746 (interference with privacy);

- (vi) section 609.748 (violation of a harassment restraining order);
- (vii) section 609.78 (interference with emergency call);
- (viii) section 609.79 (obscene or harassing phone calls);
- (ix) section 617.23 (indecent exposure); or
- (x) section 629.75 (violation of domestic abuse no contact order);
- (3) any gross misdemeanor offense other than:

(i) section 169.13, subdivision 1, if the person causes great bodily harm or death to another (reckless driving resulting in great bodily harm or death);

- ~~(i)~~ (ii) section 169A.25 (second-degree driving while impaired);
- ~~(ii)~~ (iii) section 169A.26 (third-degree driving while impaired);
- ~~(iii)~~ (iv) section 518B.01, subdivision 14 (violation of an order for protection);
- ~~(iv)~~ (v) section 609.2113, subdivision 3 (criminal vehicular operation);
- ~~(v)~~ (vi) section 609.2231 (assault in the fourth degree);
- ~~(vi)~~ (vii) section 609.224 (assault in the fifth degree);
- ~~(vii)~~ (viii) section 609.2242 (domestic assault);
- ~~(viii)~~ (ix) section 609.233 (criminal neglect);
- ~~(ix)~~ (x) section 609.3451 (criminal sexual conduct in the fifth degree);
- ~~(x)~~ (xi) section 609.377 (malicious punishment of child);
- ~~(xi)~~ (xii) section 609.485 (escape from custody);
- ~~(xii)~~ (xiii) section 609.498 (tampering with witness);
- ~~(xiii)~~ (xiv) section 609.582, subdivision 4 (burglary in the fourth degree);
- ~~(xiv)~~ (xv) section 609.746 (interference with privacy);
- ~~(xv)~~ (xvi) section 609.748 (violation of a harassment restraining order);
- ~~(xvi)~~ (xvii) section 609.749 (harassment; stalking);
- ~~(xvii)~~ (xviii) section 609.78 (interference with emergency call);
- ~~(xviii)~~ (xix) section 617.23 (indecent exposure);
- ~~(xix)~~ (xx) section 617.261 (nonconsensual dissemination of private sexual images); or

~~(xx)~~ (xxi) section 629.75 (violation of domestic abuse no contact order); or

(4) any felony offense listed in section 609A.02, subdivision 3, paragraph (b), other than:

(i) section 152.023, subdivision 2 (possession of a controlled substance in the third degree);

(ii) 152.024, subdivision 2 (possession of a controlled substance in the fourth degree);

(iii) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness); ~~or~~

(iv) section 609.582, subdivision 3, paragraph (a) (burglary in the third degree; other than trespass); or

(v) section 609.746, subdivision 1, paragraph ~~(e)~~ (g) (interference with privacy; subsequent violation or minor victim).

(c) As used in this subdivision, "applicable waiting period" means:

(1) if the offense was a petty misdemeanor, two years since discharge of the sentence;

(2) if the offense was a misdemeanor, two years since discharge of the sentence for the crime;

(3) if the offense was a gross misdemeanor, three years since discharge of the sentence for the crime;

(4) if the offense was a felony violation of section 152.025, four years since the discharge of the sentence for the crime; and

(5) if the offense was any other felony, five years since discharge of the sentence for the crime.

(d) Felony offenses deemed to be a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, remain ineligible for expungement under this section. Gross misdemeanor offenses ineligible for a grant of expungement under this section remain ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2.

(e) The service requirements in section 609A.03, subdivision 8, do not apply to any expungements ordered under this subdivision.

(f) An expungement order does not apply to records held by the commissioners of children, youth, and families; health; and human services.

Sec. 9. Minnesota Statutes 2023 Supplement, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings.** (a) A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

(1) all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the

petitioner. For the purposes of this chapter, an action or proceeding is resolved in favor of the petitioner, if the petitioner received an order under section 590.11 determining that the petitioner is eligible for compensation based on exoneration;

(2) the petitioner has successfully completed the terms of a diversion program or stay of adjudication and has not been charged with a new crime for at least one year since completion of the diversion program or stay of adjudication;

(3) the petitioner was convicted of a petty misdemeanor or misdemeanor or the sentence imposed was within the limits provided by law for a misdemeanor and the petitioner has not been convicted of a new crime for at least two years since discharge of the sentence for the crime;

(4) the petitioner was convicted of a gross misdemeanor or the sentence imposed was within the limits provided by law for a gross misdemeanor and the petitioner has not been convicted of a new crime for at least three years since discharge of the sentence for the crime;

(5) the petitioner was convicted of a gross misdemeanor that is deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2, clause (2), and has not been convicted of a new crime for at least three years since discharge of the sentence for the crime;

(6) the petitioner was convicted of a felony violation of section 152.025 and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime;

(7) the petitioner was convicted of a felony that is deemed to be for a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, clause (2), and has not been convicted of a new crime for at least:

(i) four years since discharge of the sentence for the crime if the conviction was for an offense listed in paragraph (b); or

(ii) five years since discharge of the sentence for the crime if the conviction was for any other offense; or

(8) the petitioner was convicted of a felony violation of an offense listed in paragraph (b), and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime.

(b) Paragraph (a), clause (7), applies to the following offenses:

(1) section 35.824 (altering livestock certificate);

(2) section 62A.41 (insurance regulations);

(3) section 86B.865, subdivision 1 (certification for title on watercraft);

(4) section 152.023, subdivision 2 (possession of a controlled substance in the third degree); 152.024, subdivision 2 (possession of a controlled substance in the fourth degree); 152.025 (controlled substance in the fifth degree); or 152.097 (sale of simulated controlled substance);

(5) section 168A.30, subdivision 1 (certificate of title false information); or 169.09, subdivision 14, paragraph (a), clause (2) (accident resulting in great bodily harm);

(6) chapter 201; 203B; or 204C (voting violations);

(7) section 228.45; 228.47; 228.49; 228.50; or 228.51 (false bill of lading);

(8) section 256.984 (false declaration in assistance application);

(9) section 296A.23, subdivision 2 (willful evasion of fuel tax);

(10) section 297D.09, subdivision 1 (failure to affix stamp on scheduled substances);

(11) section 297G.19 (liquor taxation); or 340A.701 (unlawful acts involving liquor);

(12) section 325F.743 (precious metal dealers); or 325F.755, subdivision 7 (prize notices and solicitations);

(13) section 346.155, subdivision 10 (failure to control regulated animal);

(14) section 349.2127; or 349.22 (gambling regulations);

(15) section 588.20 (contempt);

(16) section 609.27, subdivision 1, clauses (2) to (5) (coercion);

(17) section 609.31 (leaving state to evade establishment of paternity);

(18) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness);

(19) section 609.49 (failure to appear in court);

(20) section 609.52, subdivision 2, when sentenced pursuant to section 609.52, subdivision 3, clause (3)(a) (theft of \$5,000 or less) or 609.52, subdivision 3a, clause (1) (theft of \$1,000 or less with risk of bodily harm); or any other offense sentenced pursuant to section 609.52, subdivision 3, clause (3)(a);

(21) section 609.521 (possession of shoplifting gear);

(22) section 609.525 (bringing stolen goods into state);

(23) section 609.526, subdivision 2, clause (2) (metal dealer receiving stolen goods);

(24) section 609.527, subdivision 5b (possession or use of scanning device or reencoder); 609.528, subdivision 3, clause (3) (possession or sale of stolen or counterfeit check); or 609.529 (mail theft);

(25) section 609.53 (receiving stolen goods);

(26) section 609.535, subdivision 2a, paragraph (a), clause (1) (dishonored check over \$500);

- (27) section 609.54, clause (1) (embezzlement of public funds \$2,500 or less);
- (28) section 609.551 (rustling and livestock theft);
- (29) section 609.5641, subdivision 1a, paragraph (a) (wildfire arson);
- (30) section 609.576, subdivision 1, clause (3), item (iii) (negligent fires);
- (31) section 609.582, subdivision 3 (burglary in the third degree);
- (32) section 609.59 (possession of burglary or theft tools);
- (33) section 609.595, subdivision 1, clauses (3) to (5), and subdivision 1a, paragraph (a) (criminal damage to property);
- (34) section 609.597, subdivision 3, clause (3) (assaulting or harming police horse);
- (35) section 609.625 (aggravated forgery); 609.63 (forgery); 609.631, subdivision 4, clause (3)(a) (check forgery and offering forged check, \$2,500 or less); 609.635 (obtaining signature by false pretense); 609.64 (recording, filing forged instrument); or 609.645 (fraudulent statements);
- (36) section 609.65, clause (1) (false certification by notary); or 609.651, subdivision 4, paragraph (a) (lottery fraud);
- (37) section 609.652 (fraudulent driver's license and identification card);
- (38) section 609.66, subdivision 1a, paragraph (a) (discharge of firearm; silencer); or 609.66, subdivision 1b (furnishing firearm to minor);
- (39) section 609.662, subdivision 2, paragraph (b) (duty to render aid);
- (40) section 609.686, subdivision 2 (tampering with fire alarm);
- (41) section 609.746, subdivision 1, paragraph (g) (interference with privacy; subsequent violation or minor victim);
- (42) section 609.80, subdivision 2 (interference with cable communications system);
- (43) section 609.821, subdivision 2 (financial transaction card fraud);
- (44) section 609.822 (residential mortgage fraud);
- (45) section 609.825, subdivision 2 (bribery of participant or official in contest);
- (46) section 609.855, subdivision 2, paragraph (c), clause (1) (interference with transit operator);
- (47) section 609.88 (computer damage); or 609.89 (computer theft);
- (48) section 609.893, subdivision 2 (telecommunications and information services fraud);
- (49) section 609.894, subdivision 3 or 4 (cellular counterfeiting);

(50) section 609.895, subdivision 3, paragraph (a) or (b) (counterfeited intellectual property);

(51) section 609.896 (movie pirating);

(52) section 624.7132, subdivision 15, paragraph (b) (transfer pistol to minor); 624.714, subdivision 1a (pistol without permit; subsequent violation); or 624.7141, subdivision 2 (transfer of pistol to ineligible person); or

(53) section 624.7181 (rifle or shotgun in public by minor).

Sec. 10. Minnesota Statutes 2023 Supplement, section 611.55, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "board" means the ~~State~~ Minnesota Competency Attainment Board established in section 611.56.

Sec. 11. Minnesota Statutes 2023 Supplement, section 611.56, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) The ~~State~~ Minnesota Competency Attainment Board is established in the judicial branch. The board is not subject to the administrative control of the judiciary. The board shall consist of seven members, including:

(1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and

(2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency attainment.

(b) The appointing authorities may not appoint an active judge to be a member of the board, but may appoint a retired judge.

(c) All members must demonstrate an interest in maintaining a high quality, independent forensic navigator program and a thorough process for certification of competency attainment programs. Members shall be familiar with the Minnesota Rules of Criminal Procedure, particularly rule 20; chapter 253B; and sections 611.40 to 611.59. Following the initial terms of appointment, at least one member appointed by the supreme court must have previous experience working as a forensic navigator. At least three members of the board shall live outside the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect the chair from among the membership for a term of two years.

Sec. 12. Minnesota Statutes 2023 Supplement, section 611.56, subdivision 6, is amended to read:

Subd. 6. **Fees and costs; civil actions on contested case.** Sections 15.039 and 15.471 to 15.474 apply to the ~~State~~ Minnesota Competency Attainment Board.

Sec. 13. Minnesota Statutes 2023 Supplement, section 611.57, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Certification Advisory Committee is established to provide the State Minnesota Competency Attainment Board with advice and expertise related to the certification of competency attainment programs, including jail-based programs.

Sec. 14. Minnesota Statutes 2023 Supplement, section 611.57, subdivision 4, is amended to read:

Subd. 4. **Duties.** The Certification Advisory Committee shall consult with the Department of Human Services, the Department of Health, and the Department of Corrections; make recommendations to the State Minnesota Competency Attainment Board regarding competency attainment curriculum, certification requirements for competency attainment programs including jail-based programs, and certification of individuals to provide competency attainment services; and provide information and recommendations on other issues relevant to competency attainment as requested by the board.

Sec. 15. **[627.16] CRIMINAL SEXUAL CONDUCT; MENTALLY INCAPACITATED; ASLEEP OR NOT CONSCIOUS.**

A criminal action arising out of an incident of alleged criminal sexual conduct may be prosecuted either in the county where any element of the alleged sexual penetration or sexual contact was committed or the county where the complainant is found when the complainant was, at the time of the act:

(1) mentally incapacitated, as defined in section 609.341, subdivision 7; or

(2) physically helpless, as defined in section 609.341, subdivision 9, as the result of being asleep or not conscious.

Sec. 16. **[634.025] CONFESSION; INADMISSIBLE WHEN DECEPTION IS USED.**

(a) Any admission, confession, or statement, whether written or oral, made by any person during a custodial interrogation by a law enforcement agency official or their agent, is presumed involuntarily made and inadmissible in any proceeding if, during the interrogation, a law enforcement agency official or their agent knowingly:

(1) communicated false facts about the existence or nature of evidence to the extent such evidence would be material to assessing any suspected or alleged criminal conduct on behalf of the individual being interrogated; or

(2) communicated unauthorized statements regarding leniency.

(b) The presumption that any such admission, confession, or statement, or any portion thereof, is involuntarily made and inadmissible may be overcome if the state proves by a preponderance of the evidence that the admission, confession, or statement, or the given portion thereof, was voluntary, reliable, and not induced by any act described in paragraph (a).

(c) The presumption of inadmissibility set forth in paragraph (a) shall not apply to any portion of an admission, confession, or statement that occurs prior to the first instance in which one of the acts described in paragraph (a) occurs.

(d) That an admission, confession, or statement is deemed inadmissible under this section shall have no effect on the admissibility of evidence obtained as a result of the admission, confession, or statement if the evidence would have been discovered through independent lawful means or if knowledge of the evidence was acquired through an independent source.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to admission, confession, or statement, whether written or oral, made on or after that date.

Sec. 17. Minnesota Statutes 2023 Supplement, section 638.12, subdivision 2, is amended to read:

Subd. 2. **Pardon eligibility; waiver.** (a) Except as provided in paragraphs (b) and (c), an individual convicted of a crime in a court of this state may apply for a pardon of the individual's conviction on or after five years from the sentence's expiration or discharge date.

(b) An individual convicted before August 1, 2023, of a violation of section 609.19, subdivision 1, clause (1), under the theory of liability for crimes of another may apply for a pardon upon the sentence's expiration or discharge date if the individual:

(1) was charged with a violation of section 609.185, paragraph (a), clause (3), and:

(i) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(ii) did not cause the death of a human being; and

(iii) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(2) was charged with a violation of section 609.19, subdivision 2, and:

(i) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(ii) did not cause the death of a human being; and

(iii) was not a major participant, as defined in section 609.05, subdivision 2a, paragraph (c), in the underlying felony ~~and~~ or did not act with extreme indifference to human life.

(c) An individual may request the board to waive the waiting period if there is a showing of unusual circumstances and special need.

(d) The commission must review a waiver request and recommend to the board whether to grant the request. When considering a waiver request, the commission is exempt from the meeting requirements under section 638.14 and chapter 13D.

(e) The board must grant a waiver request unless the governor or a board majority opposes the waiver.

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

Sec. 18. Minnesota Statutes 2023 Supplement, section 638.15, subdivision 1, is amended to read:

Subdivision 1. **Grounds for recommending clemency.** (a) When recommending whether to grant clemency, the commission must consider any factors that the commission deems appropriate, including but not limited to:

(1) the nature, seriousness, and circumstances of the applicant's crime; the applicant's age at the time of the crime; and the time that has elapsed between the crime and the application;

(2) the successful completion or revocation of previous probation, parole, supervised release, or conditional release;

(3) the number, nature, and circumstances of the applicant's other criminal convictions;

(4) the extent to which the applicant has demonstrated rehabilitation through postconviction conduct, character, and reputation;

(5) the extent to which the applicant has accepted responsibility, demonstrated remorse, and made restitution to victims;

(6) whether the sentence is clearly excessive in light of the applicant's crime and criminal history and any sentence received by an accomplice and with due regard given to:

(i) any plea agreement;

(ii) the sentencing judge's views; and

(iii) the sentencing ranges established by law;

(7) whether the applicant was convicted before August 1, 2023, of a violation of section 609.19, subdivision 1, clause (1), under the theory of liability for crimes of another and, if so, whether the applicant:

(i) was charged with a violation of section 609.185, paragraph (a), clause (3), and:

(A) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(B) did not cause the death of a human being; and

(C) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(ii) was charged with a violation of section 609.19, subdivision 2, and:

(A) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(B) did not cause the death of a human being; and

(C) was not a major participant, as defined in section 609.05, subdivision 2a, paragraph (c), in the underlying felony ~~and~~ or did not act with extreme indifference to human life;

(8) whether the applicant's age or medical status indicates that it is in the best interest of society that the applicant receive clemency;

(9) the applicant's asserted need for clemency, including family needs and barriers to housing or employment created by the conviction;

(10) for an applicant under the department's custody, the adequacy of the applicant's reentry plan;

(11) the amount of time already served by the applicant and the availability of other forms of judicial or administrative relief;

(12) the extent to which there is credible evidence indicating that the applicant is or may be innocent of the crime for which they were convicted; and

(13) if provided by the applicant, the applicant's demographic information, including race, ethnicity, gender, disability status, and age.

(b) Unless an applicant knowingly omitted past criminal convictions on the application, the commission or the board must not prejudice an applicant for failing to identify past criminal convictions.

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

Sec. 19. Laws 2023, chapter 52, article 4, section 24, subdivision 3, is amended to read:

Subd. 3. **Notification.** (a) By ~~December~~ July 1, 2023 2024, the commissioner of corrections shall notify individuals convicted for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), of the right to file a preliminary application for relief if:

(1) the person was convicted for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), and the person:

(i) did not cause the death of a human being; and

(ii) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(2) the person was convicted for a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), and the person:

(i) did not cause the death of a human being; and

(ii) was not a major participant in the underlying felony ~~and~~ or did not act with extreme indifference to human life.

(b) The notice shall include the address of the Ramsey County District Court court administration.

(c) The commissioner of corrections may coordinate with the judicial branch to establish a standardized notification form.

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

Sec. 20. Laws 2023, chapter 52, article 4, section 24, subdivision 4, is amended to read:

Subd. 4. **Preliminary application.** (a) An applicant shall submit a preliminary application to the Ramsey County District Court. The preliminary application must contain:

- (1) the applicant's name and, if different, the name under which the person was convicted;
- (2) the applicant's date of birth;
- (3) the district court case number of the case for which the person is seeking relief;
- (4) a statement as to whether the applicant was convicted following a trial or pursuant to a plea;
- (5) a statement as to whether the person filed a direct appeal from the conviction, a petition for postconviction relief, or both;
- (6) a brief statement, not to exceed 3,000 words, explaining why the applicant is entitled to relief under this section from a conviction for the death of a human being caused by another; and
- (7) the name and address of any attorney representing the applicant.

(b) The preliminary application may contain:

- (1) the name, date of birth, and district court case number of any other person charged with, or convicted of, a crime arising from the same set of circumstances for which the applicant was convicted; and
- (2) a copy of a criminal complaint or indictment, or the relevant portions of a presentence investigation or life imprisonment report, describing the facts of the case for which the applicant was convicted.

(c) The judicial branch may establish a standardized preliminary application form, but shall not reject a preliminary application for failure to use a standardized form.

(d) Any person seeking relief under this section must submit a preliminary application no later than October 1, ~~2025~~ 2026. Submission is complete upon mailing.

(e) Submission of a preliminary application shall be without costs or any fees charged to the applicant.

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

Sec. 21. Laws 2023, chapter 52, article 4, section 24, subdivision 7, is amended to read:

Subd. 7. **Determination; order; resentencing.** (a) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being.

(b) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) was not a major participant in the underlying felony ~~and~~ or did not act with extreme indifference to human life.

(c) If the court determines that the petitioner does not qualify for relief, the court shall issue an order denying the petition. If the court determines that the petitioner is entitled to relief, the court shall issue an order vacating the conviction for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), and either:

(1) resentence the petitioner for the most serious remaining offense for which the petitioner was convicted; or

(2) enter a conviction and impose a sentence for any other predicate felony arising out of the course of conduct that served as the factual basis for the conviction vacated by the court.

(d) The new sentence announced by the court under this section must be for the most serious predicate felony unless the most serious remaining offense for which the petitioner was convicted is that offense or a more serious offense.

(e) If, pursuant to paragraph (c), the court either resents a petitioner or imposes a sentence, the court shall also resentence the petitioner for any other offense if the sentence was announced by a district court of the same county, the sentence was either ordered to be served consecutively to the vacated conviction or the criminal history calculation for that sentence included the vacated sentence, and the changes made pursuant to paragraph (c) would have resulted in a different criminal history score being used at the time of sentencing.

(f) The court shall state in writing or on the record the reasons for its decision on the petition.

(g) If the court intends to resentence a petitioner or impose a sentence on a petitioner, the court must hold the hearing at a time that allows any victim an opportunity to submit a statement consistent with Minnesota Statutes, section 611A.038. The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing and the right to submit or make a statement. A sentence imposed under this subdivision shall not increase the petitioner's total period of confinement or, if the petitioner was serving a stayed sentence, increase the period of supervision. The court may increase the period of confinement for a sentence that was ordered to be served

consecutively to the vacated conviction based on a change in the appropriate criminal history score provided the court does not increase the petitioner's total period of confinement. A person resentenced under this paragraph is entitled to credit for time served in connection with the vacated offense.

(h) Relief granted under this section shall not be treated as an exoneration for purposes of the Incarceration and Exoneration Remedies Act.

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

Sec. 22. **ADDITIONAL REQUIREMENTS.**

(a) An individual who was denied relief under Laws 2023, chapter 52, article 4, section 24, for a conviction under Minnesota Statutes, section 609.19, subdivision 2, clause (1), due to a determination that the individual was not a major participant in the underlying felony and did not act with extreme indifference to human life, and who is now eligible for relief under the charges made in this act, may reapply for relief.

(b) By July 1, 2024, the commissioner of corrections shall notify individuals to whom notice was previously provided under Laws 2023, chapter 52, article 4, section 24, subdivision 3, paragraph (a), clause (2), about the changes to law made in this act. The notice must inform the individual that the individual may apply or reapply for relief under Laws 2023, chapter 52, article 4, section 24, if eligible based on the changes made in this act.

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

ARTICLE 6

JUDICIAL BRANCH POLICY

Section 1. Minnesota Statutes 2022, section 117.042, is amended to read:

117.042 POSSESSION.

Whenever the petitioner shall require title and possession of all or part of the owner's property prior to the filing of an award by the court appointed commissioners, the petitioner shall, at least 90 days prior to the date on which possession is to be taken, notify the owner of the intent to possess by notice served by certified mail and before taking title and possession shall pay to the owner or deposit with the court an amount equal to petitioner's approved appraisal of value. Amounts deposited with the court shall be paid out under the direction of the court. If it is deemed necessary to deposit the above amount with the court the petitioner may apply to the court for an order transferring title and possession of the property or properties involved from the owner to the petitioner. In all other cases, petitioner has the right to the title and possession after the filing of the award by the court appointed commissioners as follows:

(1) if appeal is waived by the parties upon payment of the award;

(2) if appeal is not waived by the parties upon payment or deposit of three-fourths of the award to be deposited with the court administrator. ~~The amount deposited~~ If the amount exceeds \$10,000, it shall be deposited by the court administrator in an interest bearing account no later than ~~the~~ five

business ~~day~~ days next following the day on which the amount was deposited with the court. All interest credited to the amount deposited from the date of deposit shall be paid to the ultimate recipient of the amount deposited.

Nothing in this section shall limit rights granted in section 117.155.

Sec. 2. Minnesota Statutes 2022, section 171.182, subdivision 2, is amended to read:

Subd. 2. **Copy of judgment to commissioner.** If a person fails within 30 days to satisfy a judgment, the court administrator, upon affidavit of the judgment creditor that the judgment has not been satisfied, shall immediately ~~forward to~~ notify the commissioner ~~a certified copy of the judgment and affidavit of identification~~ that the judgment has not been satisfied.

If the judgment debtor named in a ~~certified copy of a~~ judgment reported to the commissioner is a nonresident, the commissioner shall ~~transmit a certified copy of the judgment to~~ notify the official in charge of the issuance of drivers' licenses of the state of which the judgment debtor is a resident.

Sec. 3. Minnesota Statutes 2022, section 171.182, subdivision 3, is amended to read:

Subd. 3. **Conditions.** (a) The commissioner, upon ~~receipt of a certified copy~~ notification of a judgment, shall suspend the license or the nonresident's operating privilege of the person against whom judgment was rendered if:

(1) at the time of the accident the person did not maintain the reparation security required by section 65B.48; and

(2) the judgment has not been satisfied.

(b) Suspensions under this section are subject to the notice requirements of section 171.18, subdivision 2.

Sec. 4. Minnesota Statutes 2022, section 253B.02, subdivision 4d, is amended to read:

Subd. 4d. **Court examiner.** "Court examiner" means a person appointed to serve the court, and who is a physician or ~~licensed~~ psychologist who has a doctoral degree in psychology, and is either licensed in Minnesota or who holds current authority to practice in Minnesota under an approved interstate compact.

Sec. 5. Minnesota Statutes 2022, section 480.15, subdivision 10c, is amended to read:

Subd. 10c. **Uniform collections policies and procedures for courts.** (a) The state court administrator under the direction of the Judicial Council may promulgate uniform collections policies and procedures for the courts and may contract with credit bureaus, public and private collection agencies, the Department of Revenue, and other public or private entities providing collection services as necessary for the collection of court debts. The court collection process and procedures are not subject to section 16A.1285. Court debts referred to the Department of Revenue for collection are not subject to section 16D.07. Court debts referred to the Department of Revenue for revenue recapture are not subject to section 270A.08 or 270A.09.

(b) Court debt means an amount owed to the state directly or through the judicial branch on account of a fee, duty, rent, service, overpayment, fine, assessment, surcharge, court cost, penalty, restitution, damages, interest, bail bond, forfeiture, reimbursement, liability owed, an assignment to the judicial branch, recovery of costs incurred by the judicial branch, or any other source of indebtedness to the judicial branch as well as amounts owed to other public or private entities for which the judicial branch acts in providing collection services, or any other amount owed to the judicial branch.

(c) The courts must pay for the collection services of public or private collection entities as well as the cost of one or more court employees to provide collection interface services between the Department of Revenue, the courts, and one or more collection entities from the money collected. The portion of the money collected which must be paid to the collection entity as collection fees and costs and the portion of the money collected which must be paid to the courts or Department of Revenue for collection services are appropriated from the fund to which the collected money is due.

(d) As determined by the state court administrator, collection costs shall be added to the debts referred to a public or private collection entity for collection.

Collection costs shall include the fees of the collection entity, and may include, if separately provided, skip tracing fees, credit bureau reporting charges, fees assessed by any public entity for obtaining information necessary for debt collection, or other collection-related costs. Collection costs shall also include the costs of one or more court employees employed by the state court administrator to provide a collection interface between the collection entity, the Department of Revenue, and the courts.

If the collection entity collects an amount less than the total due, the payment is applied proportionally to collection costs and the underlying debt. Collection costs in excess of collection agency fees and court employee collection interface costs must be deposited in the general fund as nondedicated receipts.

Sec. 6. Minnesota Statutes 2022, section 518B.01, subdivision 8, is amended to read:

Subd. 8. Service; alternate service; publication; notice. (a) The petition and any order issued under this section other than orders for dismissal shall be served on the respondent personally, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that an order for protection will issue, the order may be served on the respondent electronically or by first class mail, as ordered by the court. Orders for dismissal may be served personally or by certified mail. In lieu of personal service of an order for protection, a law enforcement officer may serve a person with a short-form notification as provided in subdivision 8a.

(b) When service is made out of this state and in the United States, it may be proved by the affidavit of the person making the service. When service is made outside the United States, it may be proved by the affidavit of the person making the service, taken before and certified by any United States minister, charge d'affaires, commissioner, consul, or commercial agent, or other consular or diplomatic officer of the United States appointed to reside in the other country, including all deputies or other representatives of the officer authorized to perform their duties; or before an office authorized

to administer an oath with the certificate of an officer of a court of record of the country in which the affidavit is taken as to the identity and authority of the officer taking the affidavit.

(c) If personal service cannot be made, the court may order service of the petition and any order issued under this section by alternate means, or by publication, which publication must be made as in other actions. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons.

The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent.

The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

(d) A petition and any order issued under this section, including the short-form notification, must include a notice to the respondent that if an order for protection is issued to protect the petitioner or a child of the parties, upon request of the petitioner in any parenting time proceeding, the court shall consider the order for protection in making a decision regarding parenting time.

Sec. 7. Minnesota Statutes 2022, section 593.50, subdivision 1, is amended to read:

Subdivision 1. **Juror protection.** An employer shall not deprive an employee of employment, or threaten or otherwise coerce the employee with respect ~~thereto~~ to employment status, because the employee receives a summons, responds thereto, serves as a juror, or attends court for prospective jury service. An employer must release an employee from the employee's regular work schedule, including any shift work, to permit the employee to attend court for prospective jury service. An employer must not require an employee to work an alternative shift on any day the juror is required to report to the courthouse for jury service. Nothing in this section shall prevent an employee from voluntarily requesting to work an alternative work schedule on any day the juror is required to report to the courthouse for jury service, as long as the employer does not encourage, prompt, or ask for the employee to make such a request.

Sec. 8. Minnesota Statutes 2022, section 609.748, subdivision 5, is amended to read:

Subd. 5. **Restraining order.** (a) The court may issue a restraining order that provides any or all of the following:

- (1) orders the respondent to cease or avoid the harassment of another person; or
- (2) orders the respondent to have no contact with another person.

(b) The court may issue an order under paragraph (a) if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) a peace officer has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the right to request a hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. If the court finds that the petitioner has had two or more previous restraining orders in effect against the same respondent or the respondent has violated a prior or existing restraining order on two or more occasions, relief granted by the restraining order may be for a period of up to 50 years. In all other cases, relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

(c) An order issued under this subdivision must be personally served upon the respondent, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that a restraining order will issue, the order may be served on the respondent electronically or by first class mail, as ordered by the court.

(d) If the court orders relief for a period of up to 50 years under paragraph (a), the respondent named in the restraining order may request to have the restraining order vacated or modified if the order has been in effect for at least five years and the respondent has not violated the order. Application for relief under this paragraph must be made in the county in which the restraining order was issued. Upon receipt of the request, the court shall set a hearing date. Personal service must be made upon the petitioner named in the restraining order not less than 30 days before the date of the hearing. At the hearing, the respondent named in the restraining order has the burden of proving by a preponderance of the evidence that there has been a material change in circumstances and that the reasons upon which the court relied in granting the restraining order no longer apply and are unlikely to occur. If the court finds that the respondent named in the restraining order has met the burden of proof, the court may vacate or modify the order. If the court finds that the respondent named in the restraining order has not met the burden of proof, the court shall deny the request and no request may be made to vacate or modify the restraining order until five years have elapsed from the date of denial. An order vacated or modified under this paragraph must be personally served on the petitioner named in the restraining order.

Sec. 9. Minnesota Statutes 2023 Supplement, section 611.41, subdivision 7, is amended to read:

Subd. 7. **Court examiner.** "Court examiner" means a person appointed to serve the court ~~by examining a defendant whose competency is at issue~~ and who is a physician or licensed psychologist who has a doctoral degree in psychology, and is either licensed in Minnesota or who holds current authority to practice in Minnesota under an approved interstate compact.

ARTICLE 7**REAL PROPERTY, TRUSTS, AND GUARDIANSHIP****Section 1. [500.217] RESTRICTIONS ON CHILD CARE PROHIBITIONS.**

(a) Except as otherwise provided in this section and notwithstanding any covenant, restriction, or condition contained in a deed, security instrument, homeowners association document, or any other instrument affecting the transfer, sale of, or an interest in real property, a private entity must not prohibit or refuse to permit the owner of a dwelling from providing child care under a family and group family child care provider license under chapter 245A, and Minnesota Rules, chapter 9502.

(b) A private entity may require an owner or occupant who is seeking or who is a license holder to indemnify, hold harmless, or defend the private entity against all claims, including costs and attorney fees, related to the operation of a family or group family child care program. The private entity may require each parent, guardian, or caretaker of the child being cared for in the program to sign a waiver of claims for liability, provided that the waiver is reasonable, consistent with industry standards, and does not require notarization.

(c) The homeowners association is not required to amend the homeowners association documents to meet a licensing requirement, except when the homeowners association documents are inconsistent with the requirements of this section. Nothing in this section prevents an owner or occupant from using provided or legal remedies to amend the homeowners association documents or from requesting a variance from those requirements.

(d) A license holder who is an owner occupant and all invitees are subject to the rules and regulations contained in the homeowners association documents of the private entity except where those rules and regulations conflict with this section.

(e) For the purposes of this section, the following terms have the meanings given:

(1) "private entity" means a homeowners association, community association, or other association that is subject to a homeowners association document; and

(2) "homeowners association document" means a document containing the declaration, articles of incorporation, bylaws, or rules and regulations of a common interest community, as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B, or a residential community that is not a common interest community.

This section only applies to:

(1) a single-family detached dwelling whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building; or

(2) a multifamily attached dwelling whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building.

Sec. 2. Minnesota Statutes 2022, section 501C.0202, is amended to read:

501C.0202 SUBJECT MATTER OF JUDICIAL PROCEEDINGS.

A judicial proceeding, whether filed by petition under the district court's in rem or in personam jurisdiction, involving a trust may relate to one or more of the following matters:

- (1) to confirm an action taken by a trustee;
- (2) upon the filing of an account, to settle and allow the account;
- (3) to determine the persons having an interest in the income or principal of the trust and the nature and extent of their interests;
- (4) to construe, interpret, or reform the terms of a trust, or authorize a deviation from the terms of a trust, including a proceeding involving section 501B.31;
- (5) to approve payment of the trustee's, attorney, or accountant fees, or any other fees to be charged against the trust;
- (6) to confirm the appointment of a trustee;
- (7) to accept a trustee's resignation and discharge the trustee from the trust as provided in section 501C.0705;
- (8) to require a trustee to account;
- (9) to remove a trustee as provided in section 501C.0706;
- (10) to appoint a successor trustee when required by the terms of the trust instrument or when by reason of death, resignation, removal, or other cause there is no acting trustee;
- (11) to appoint an additional trustee or special fiduciary whether or not a vacancy in trusteeship exists as provided in section 501C.0704;
- (12) to confirm an act taken by a person with respect to a trust while there was no acting trustee or otherwise in compliance with section 501C.0701;
- (13) to subject a trust to or remove a trust from continuing court supervision under section 501C.0205;
- (14) to mortgage, lease, sell, or otherwise dispose of real property held by the trustee notwithstanding any contrary provision of the trust instrument;
- (15) to suspend the powers and duties of a trustee in military service or war service, in accordance with section 525.95, and to order further action authorized in that section;
- (16) to secure compliance with the provisions of sections 501B.33 to 501B.45, in accordance with section 501B.41, relating to charitable trusts;
- (17) to determine the validity of a disclaimer under sections 524.2-1101 to 524.2-1116;

(18) to transfer the trust's principal place of administration as provided in section 501C.0108;

(19) to redress a breach of trust;

(20) to terminate a trust;

(21) to divide a trust or to merge two or more trusts as provided in section 501C.0417;

(22) to approve a nonjudicial settlement as provided in section 501C.0111;

(23) to approve, modify, or object to a proposed trust decanting as provided in section 502.851;
or

(24) to instruct the trustee regarding any matter involving the trust's administration or the discharge of the trustee's duties, including a request for instructions and an action to declare rights.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2016.

Sec. 3. Minnesota Statutes 2022, section 501C.0204, subdivision 1, is amended to read:

Subdivision 1. **In rem judicial proceedings.** Upon the hearing of a petition under the district court's in rem jurisdiction, the court shall make an order it considers appropriate. The order is binding in rem upon the trust estate and ~~upon the interests of all interested persons, including without limitation~~ all beneficiaries, vested or contingent, even though unascertained or not in being. An appeal from an order which, in effect, determines the petition may be taken by any party after service by any party of written notice of its filing as provided under the Rules of Appellate Procedure or, if no notice is served, within six months after the filing of the order.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2016.

Sec. 4. Minnesota Statutes 2022, section 507.071, is amended to read:

507.071 TRANSFER ON DEATH DEEDS.

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

(a) "Beneficiary" or "grantee beneficiary" means a person or entity named as a grantee beneficiary in a transfer on death deed, including a successor grantee beneficiary.

(b) "County agency" means the county department or office designated to recover medical assistance benefits from the estates of decedents.

(c) "Grantor owner" means an owner, whether individually, as a joint tenant, or as a tenant in common, named as a grantor in a transfer on death deed upon whose death the conveyance or transfer of the described real property is conditioned. Grantor owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(d) "Owner" means a person having an ownership or other interest in all or part of the real property to be conveyed or transferred by a transfer on death deed either at the time the deed is executed or at the time the transfer becomes effective. Owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(e) "Property" and "interest in real property" mean any interest in real property located in this state which is transferable on the death of the owner and includes, without limitation, an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security interest in, or a security pledge of, an interest in real property, including the rights to payments of the indebtedness secured by the security instrument, a judgment, a tax lien, both the seller's and purchaser's interest in a contract for deed, land contract, purchase agreement, or earnest money contract for the sale and purchase of real property, including the rights to payments under such contracts, or any other lien on, or interest in, real property.

(f) "Recorded" means recorded in the office of the county recorder or registrar of titles, as appropriate for the real property described in the instrument to be recorded.

(g) "State agency" means the Department of Human Services or any successor agency.

(h) "Transfer on death deed" means a deed authorized under this section.

Subd. 2. **Effect of transfer on death deed.** A deed that conveys or assigns an interest in real property, to a grantee beneficiary and that expressly states that the deed is only effective on the death of one or more of the grantor owners, transfers the interest to the grantee beneficiary upon the death of the grantor owner upon whose death the conveyance or transfer is stated to be effective, but subject to the survivorship provisions and requirements of section 524.2-702. Until a transfer on death deed becomes effective, it has no effect on title to the real property described in the deed, but it does create an insurable interest in the real property in favor of the designated grantee beneficiary or beneficiaries for purposes of insuring the real property against loss or damage that occurs on or after the transfer on death deed becomes effective. A transfer on death deed must comply with all provisions of Minnesota law applicable to deeds of real property including, but not limited to, the provisions of sections 507.02, 507.24, 507.34, 508.48, and 508A.48. If a spouse who is neither a grantor owner nor an owner joins in the execution of, or consents in writing to, the transfer on death deed, such joinder or consent shall be conclusive proof that upon the transfer becoming effective, the spouse no longer has or can claim any statutory interest or other marital interest in the interest in real property transferred by the transfer on death deed. However, such transfer shall remain an interest as identified in section 256B.15 for purposes of complying with and satisfying any claim or lien as authorized by subdivision 3.

Subd. 3. **Rights of creditors and rights of state and county under sections 246.53, 256B.15, 256D.16, 261.04, and 514.981.** The interest transferred to a beneficiary under a transfer on death deed after the death of a grantor owner is transferred subject to all effective conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, judgments, tax liens, and any other matters or encumbrances to which the interest was subject on the date of death of the grantor owner, upon whose death the transfer becomes effective including, but not limited to, any claim by a surviving spouse who did not join in the execution of, or consent in writing to, the transfer on death deed, and any claim or lien by the state or county agency authorized by sections 246.53, 256B.15,

256D.16, 261.04, and 514.981, if other assets of the deceased grantor's estate are insufficient to pay the amount of any such claim. A beneficiary to whom the interest is transferred after the death of a grantor owner shall be liable to account to the state or county agency with a claim or lien authorized by section 246.53, 256B.15, 256D.16, 261.04, or 514.981, to the extent necessary to discharge any such claim remaining unpaid after application of the assets of the deceased grantor owner's estate, but such liability shall be limited to the value of the interest transferred to the beneficiary. To establish compliance with this subdivision and subdivision 23, the beneficiary must record a clearance certificate issued in accordance with subdivision 23 in each county in which the real property described in the transfer on death deed is located.

Subd. 4. **Multiple grantee beneficiaries.** A transfer on death deed may designate multiple grantee beneficiaries to take title as joint tenants, as tenants in common or in any other form of ownership or tenancy that is valid under the laws of this state. If a grantee joint tenant dies before the grantor owner upon whose death the transfer occurs and no successor beneficiary for the deceased grantee is designated in the transfer on death deed, the surviving joint tenants are the successors and no interest lapses.

Subd. 5. **Successor grantee beneficiaries.** A transfer on death deed may designate one or more successor grantee beneficiaries or a class of successor grantee beneficiaries, or both. If the transfer on death deed designates successor grantee beneficiaries or a class of successor grantee beneficiaries, the deed shall state the condition under which the interest of the successor grantee beneficiaries would vest.

Subd. 6. **Multiple joint tenant grantors.** If an interest in real property is owned as joint tenants, a transfer on death deed executed by all of the owners and, if required by section 507.02, their respective spouses, if any, that conveys an interest in real property to one or more grantee beneficiaries transfers the interest to the grantee beneficiary or beneficiaries effective only after the death of the last surviving grantor owner. If the last surviving joint tenant owner did not execute the transfer on death deed, the deed is ineffective to transfer any interest and the deed is void. An estate in joint tenancy is not severed or affected by the subsequent execution of a transfer on death deed and the right of a surviving joint tenant owner who did not execute the transfer on death deed shall prevail over a grantee beneficiary named in a transfer on death deed unless the deed specifically states that it severs the joint tenancy ownership.

Subd. 7. **Execution by attorney-in-fact.** A transfer on death deed may be executed by a duly appointed attorney-in-fact pursuant to a power of attorney which grants the attorney-in-fact the authority to execute deeds.

Subd. 8. **Recording requirements and authorization.** A transfer on death deed is valid if the deed is recorded in a county in which at least a part of the real property described in the deed is located and is recorded before the death of the grantor owner upon whose death the conveyance or transfer is effective. Notwithstanding the definition of recorded under subdivision 1, if the real property is registered property, a transfer on death deed that was recorded incorrectly or incompletely is valid if the deed was recorded before the death of the grantor owner in the office of the county recorder or the registrar of titles in a county in which at least part of the real property is located, and is memorialized on the certificate of title after death. A transfer on death deed is not effective for purposes of section 507.34, 508.47, or 508A.47 until the deed is properly recorded in the county in which the real property is located. When a transfer on death deed is presented for recording, no

certification by the county auditor as to transfer of ownership and current and delinquent taxes shall be required or made and the transfer on death deed shall not be required to be accompanied by a certificate of real estate value. A transfer on death deed that otherwise satisfies all statutory requirements for recording may be recorded and shall be accepted for recording in the county in which the property described in the deed is located. If any part of the property described in the transfer on death deed is registered property, the registrar of titles shall accept the transfer on death deed for recording only if at least one of the grantors who executes the transfer on death deed appears of record to have an ownership interest or other interest in the real property described in the deed. No certification or approval of a transfer on death deed shall be required of the examiner of titles prior to recording of the deed in the office of the registrar of titles.

Subd. 9. Deed to trustee or other entity. A transfer on death deed may transfer an interest in real property to the trustee of an inter vivos trust even if the trust is revocable, to the trustee of a testamentary trust or to any other entity legally qualified to hold title to real property under the laws of this state.

Subd. 10. Revocation or modification of transfer on death deed. (a) A transfer on death deed may be revoked at any time by the grantor owner or, if there is more than one grantor owner, by any of the grantor owners. A revocation revokes the transfer on death deed in its entirety. To be effective, the revocation must be recorded in a county in which at least a part of the real property is located before the death of the grantor owner or owners who execute the revocation. Notwithstanding the definition of recorded under subdivision 1, if the real property is registered property, a revocation that was recorded incorrectly or incompletely is effective if it was recorded before the death of the grantor owner in the office of the county recorder or the registrar of titles in a county in which at least part of the real property is located, and is memorialized on the certificate of title after death. The revocation is not effective for purposes of section 507.34, 508.47, or 508A.47 until the revocation is properly recorded in a county in which the real property is located.

(b) If a grantor owner conveys to a third party, subsequent to the recording of the transfer on death deed, by means other than a transfer on death deed, all or a part of such grantor owner's interest in the property described in the transfer on death deed, no transfer of the conveyed interest shall occur on such grantor owner's death and the transfer on death deed shall be ineffective as to the conveyed or transferred interests, but the transfer on death deed remains effective with respect to the conveyance or transfer on death of any other interests described in the transfer on death deed owned by the grantor owner at the time of the grantor owner's death.

(c) A transfer on death deed is a "governing instrument" within the meaning of section 524.2-804 and, except as may otherwise be specifically provided for in the transfer on death deed, is subject to the same provisions as to revocation, revival, and nonrevocation set forth in section 524.2-804.

Subd. 11. Antilapse; deceased beneficiary; words of survivorship. (a) Except when a successor grantee beneficiary is designated in the transfer on death deed for the grantee beneficiary who did not survive the grantor owner, if a grantee beneficiary who is a grandparent or lineal descendant of a grandparent of the grantor owner fails to survive the grantor owner, the issue of the deceased grantee beneficiary who survive the grantor owner take in place of the deceased grantee beneficiary. If they are all of the same degree of kinship to the deceased grantee beneficiary, they take equally. If they are of unequal degree, those of more remote degree take by right of representation.

(b) For the purposes of this subdivision, words of survivorship such as, in a conveyance to an individual, "if he or she survives me," or, in a class gift, to "my surviving children," are a sufficient indication of intent to condition the conveyance or transfer upon the beneficiary surviving the grantor owner.

(c) When issue of a deceased grantee beneficiary or members of a class take in place of the named grantee beneficiary pursuant to subdivision 5 or paragraph (a) or (b) or when a beneficiary dies and has no issue under paragraph (a), an affidavit of survivorship stating the names and shares of the beneficiaries or stating that a deceased beneficiary had no issue is not conclusive and a court order made in accordance with Minnesota probate law determining the beneficiaries and shares must also be recorded.

Subd. 12. **Lapse.** If all beneficiaries and all successor beneficiaries, if any, designated in a transfer on death deed, and also all successor beneficiaries who would take under the antilapse provisions of subdivision 11, fail to survive the grantor owner or the last survivor of the grantor owners if there are multiple grantor owners, if the beneficiary is a trust which has been revoked prior to the grantor owner's death, or if the beneficiary is an entity no longer in existence at the grantor owner's death, no transfer shall occur and the transfer on death deed is void.

Subd. 13. **Multiple transfer on death deeds.** If a grantor owner executes and records more than one transfer on death deed conveying the same interest in real property or a greater interest in the real property, or conveying part of the property in the earlier transfer on death deed, the transfer on death deed that has the latest acknowledgment date and that is recorded before the death of the grantor owner upon whose death the conveyance or transfer is conditioned is the effective transfer on death deed and all other transfer on death deeds, if any, executed by the grantor owner or the grantor owners are ineffective to transfer any interest and are void, except that if the later transfer on death deed included only part of the land of the earlier deed, the earlier deed is effective for the lands not included in the subsequent deed, absent language to the contrary in the subsequent deed.

Subd. 14. **Nonademption; unpaid proceeds of sale, condemnation, or insurance; sale by conservator or guardian.** If at the time of the death of the grantor owner upon whose death the conveyance or transfer is stated to be effective, the grantor owner did not own a part or all of the real property described in the transfer on death deed, no conveyance or transfer to the beneficiary of the nonowned part of the real property shall occur upon the death of the grantor owner and the transfer on death deed is void as to the nonowned part of the real property, but the beneficiary shall have the same rights to unpaid proceeds of sale, condemnation or insurance, and, if sold by a conservator or guardian of the grantor owner during the grantor owner's lifetime, the same rights to a general pecuniary devise, as that of a specific devisee as set forth in section 524.2-606.

Subd. 15. **Nonexoneration.** Except as otherwise provided in subdivision 3, a conveyance or transfer under a transfer on death deed passes the described property subject to any mortgage or security interest existing at the date of death of the grantor owner, without right of exoneration, regardless of any statutory obligations to pay the grantor owner's debts upon death and regardless of a general directive in the grantor owner's will to pay debts.

Subd. 16. **Disclaimer by beneficiary.** A grantee beneficiary's interest under a transfer on death deed may be disclaimed as provided in sections 524.2-1101 to 524.2-1116, or as otherwise provided by law.

Subd. 17. **Effect on other conveyances.** This section does not prohibit other methods of conveying property that are permitted by law and that have the effect of postponing ownership or enjoyment of an interest in real property until the death of the owner. This section does not invalidate any deed that is not a transfer on death deed and that is otherwise effective to convey title to the interests and estates described in the deed that is not recorded until after the death of the owner.

Subd. 18. **Notice, consent, and delivery not required.** The signature, consent or agreement of, or notice to, a grantee beneficiary under a transfer on death deed, or delivery of the transfer on death deed to the grantee beneficiary, is not required for any purpose during the lifetime of the grantor owner.

Subd. 19. **Nonrevocation by will.** A transfer on death deed that is executed, acknowledged, and recorded in accordance with this section is not revoked by the provisions of a will.

Subd. 20. **Proof of survivorship and clearance from public assistance claims and liens; recording.** An affidavit of identity and survivorship with a certified copy of a record of death as an attachment may be combined with a clearance certificate under this section and the combined documents may be recorded separately or as one document in each county in which the real estate described in the clearance certificate is located. The affidavit must include the name and mailing address of the person to whom future property tax statements should be sent. The affidavit, record of death, and clearance certificate, whether combined or separate, shall be prima facie evidence of the facts stated in each, and the registrar of titles may rely on the statements to transfer title to the property described in the clearance certificate, except in cases where a court order is required pursuant to the provisions of subdivision 11, paragraph (c).

Subd. 21. **After-acquired property.** Except as provided in this subdivision, a transfer on death deed is not effective to transfer any interest in real property acquired by a grantor owner subsequent to the date of signing of a transfer on death deed. A grantor owner may provide by specific language in a transfer on death deed that the transfer on death deed will apply to any interest in the described property acquired by the grantor owner after the signing or recording of the deed.

Subd. 22. **Anticipatory alienation prohibited.** The interest of a grantee beneficiary under a transfer on death deed which has not yet become effective is not subject to alienation; assignment; encumbrance; appointment or anticipation by the beneficiary; garnishment; attachment; execution or bankruptcy proceedings; claims for alimony, support, or maintenance; payment of other obligations by any person against the beneficiary; or any other transfer, voluntary or involuntary, by or from any beneficiary.

Subd. 23. **Clearance for public assistance claims and liens.** Any person claiming an interest in real property conveyed or transferred by a transfer on death deed, or the person's attorney or other agent, may apply to the county agency in the county in which the real property is located for a clearance certificate for the real property described in the transfer on death deed. The application for a clearance certificate and the clearance certificate must contain the legal description of each parcel of property covered by the clearance certificate. The county agency shall provide a sufficient number of clearance certificates to allow a clearance certificate to be recorded in each county in which the real property described in the transfer on death deed is located. The real property described in the clearance certificate is bound by any conditions or other requirements imposed by the county agency as specified in the clearance certificate. If the real property is registered property, a new

certificate of title must not be issued until the clearance certificate is recorded. If the clearance certificate shows the continuation of a medical assistance claim or lien after issuance of the clearance certificate, the real property remains subject to the claim or lien. If the real property is registered property, the clearance certificate must be carried forward as a memorial in any new certificate of title. The application shall contain the same information and shall be submitted, processed, and resolved in the same manner and on the same terms and conditions as provided in section 525.313 for a clearance certificate in a decree of descent proceeding, except that a copy of a notice of hearing does not have to accompany the application. The application may contain a statement that the applicant, after reasonably diligent inquiry, is not aware of the existence of a predeceased spouse or the existence of a claim which could be recovered under section 246.53, 256B.15, 256D.16, 261.04, or 514.981. If the county agency determines that a claim or lien exists under section 246.53, 256B.15, 256D.16, 261.04, or 514.981, the provisions of section 525.313 shall apply to collection, compromise, and settlement of the claim or lien. A person claiming an interest in real property transferred or conveyed by a transfer on death deed may petition or move the district court, as appropriate, in the county in which the real property is located or in the county in which a probate proceeding affecting the estate of the grantor of the transfer on death deed is pending, for an order allowing sale of the real property free and clear of any public assistance claim or lien but subject to disposition of the sale proceeds as provided in section 525.313. On a showing of good cause and subject to such notice as the court may require, the court without hearing may issue an order allowing the sale free and clear of any public assistance claim or lien on such terms and conditions as the court deems advisable to protect the interests of the state or county agency.

Subd. 24. **Form of transfer on death deed.** A transfer on death deed may be substantially in the following form:

Transfer on Death Deed

I (we) (grantor owner or owners and spouses, if any, with marital status designated), grantor(s), hereby convey(s) and quitclaim(s) to (grantee beneficiary, whether one or more) effective (check only one of the following)

.... on the death of the grantor owner, if only one grantor is named above, or on the death of the last of the grantor owners to die, if more than one grantor owner is named above, or

.... on the death of (name of grantor owner)

..... (must be one of the grantor owners named above), the following described real property:

(Legal description)

If checked, the following optional statement applies:

...When effective, this instrument conveys any and all interests in the described real property acquired by the grantor owner(s) before, on, or after the date of this instrument.

.....
(Signature of grantor(s))

(acknowledgment)

Subd. 25. **Form of instrument of revocation.** An instrument of revocation may be substantially in the following form:

Revocation of Transfer on Death Deed

The undersigned hereby revokes the transfer on death deed recorded on,, as Document No. (or in Book of, Page) in the office of the (County Recorder) (Registrar of Titles) of County, Minnesota, affecting real property legally described as follows:

(legal description)

Dated:

.....

Signature

(acknowledgment)

Subd. 26. **Jurisdiction.** In counties where the district court has a probate division, the application of subdivision 11 or other issues of interpretation or validity of the transfer on death deed, and actions to enforce a medical assistance lien or claim against real property described in a transfer on death deed and any matter raised in connection with enforcement shall be determined in the probate division. Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525. In other counties, the district court shall have jurisdiction to determine any matter affecting real property purporting to be transferred by a transfer on death deed. Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525.

Sec. 5. [507.072] PROPERTY INSURANCE FOR GRANTEE BENEFICIARIES OF TRANSFER ON DEATH DEEDS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply unless the context indicates otherwise.

(b) "Grantee beneficiary" has the meaning given in section 507.071, subdivision 1.

(c) "Insurance policy" means an insurance policy governed by chapter 65A.

(d) "Transfer on death deed" means a deed described in section 507.071.

(e) "Grantor owner" has the meaning given in section 507.071, subdivision 1.

(f) "Extended coverage" or "temporary extended coverage" means insurance coverage continuing beyond the death of the named insured.

Subd. 2. **Insurance policy to include grantee beneficiary.** An insurer providing an insurance policy on real property transferred by a transfer on death deed shall provide temporary extended coverage on the real property to the designated grantee beneficiary for a period commencing on the date of death of the grantor owner and ending when the grantee beneficiary replaces the insurance

policy on the insured property with an insurance policy or the expiration of the time limitations set forth in subdivision 4, whichever is sooner.

Subd. 3. **Notice to the insurer.** To obtain temporary extended coverage for a transfer on death deed as provided in this section, the grantor owner must notify the insurer of the existence of a transfer on death deed. The notice shall include the names and contact information of all designated grantee beneficiaries.

Subd. 4. **Coverage extended.** The coverage to be extended under this section applies only with respect to the insurance policy insuring the real property of the grantor owner. The period of extended coverage shall not exceed 30 days from the date of the grantor owner's death or the expiration date of the insurance policy, whichever is less. An insurer is not required to provide notice to the grantee beneficiary for cancellation of coverage following the shorter of the 30 days or expiration date of the policy or the placement of replacement insurance coverage.

Subd. 5. **Proof demanded; policy conditions.** Before making any payment for a claim under this section, the insurer may require proof that the claimant is a grantee beneficiary under a transfer on death deed, that the transfer on death deed was recorded as provided in section 507.071, and that an affidavit of survivorship and death certificate of the grantor owner was recorded as provided in section 507.071. The grantee beneficiary shall comply with the conditions of the policy.

Subd. 6. **Insurable interest.** A grantee beneficiary does not hold an insurable interest in the real property described in a transfer on death deed prior to the death of the grantor owner. Any claim on the insured real property described in a transfer on death deed initiated before the death of the grantor owner or the death benefits associated with the policy prior to the death of the grantor owner shall be settled with the estate of the grantor owner, not with the grantee beneficiary. A grantee beneficiary is not entitled to recover benefits under an insurance policy extended as provided in this section in an amount greater than the grantee beneficiary's insurable interest at the time of loss or damage. A grantee beneficiary is not entitled to any amounts paid out in prior claims on the property. If the transfer on death deed designates multiple grantee beneficiaries, nothing in this section requires the insurer to pay an amount for loss or damage to the insured real property that exceeds the amount that would be owed to the grantor owner if the grantor owner was living at the time of loss or damage.

Subd. 7. **Warnings on transfer on death deeds.** On or after August 1 of the year of the effective date of this section, a transfer on death deed shall contain the following warnings in substantially the following form:

"Warning to Grantor Owner: Temporary extended coverage of any fire and casualty insurance policy on the property under Minnesota Statutes, chapter 65A, will exist only if the grantor owner has given notice to the insurer under Minnesota Statutes, section 507.072, subdivision 3, including the existence of a transfer on death deed and the names and contact information of all designated grantee beneficiaries. Any temporary extended coverage terminates on the earlier of (1) 30 days after the date of the grantor owner's death, (2) the expiration date of the policy, or (3) upon placement of a replacement insurance policy.

Warning to Grantee Beneficiary: A grantee beneficiary shall not presume insurance coverage continues after the death of the grantor owner. Upon the death of the grantor owner, the grantee

beneficiary should determine whether the provisions of Minnesota Statutes, section 507.072, apply and consult with an insurance agent or attorney."

The failure to include warnings in a transfer on death deed in accordance with this subdivision shall not invalidate the transfer on death deed or affect recording of the transfer on death deed.

Sec. 6. Minnesota Statutes 2023 Supplement, section 515B.2-103, is amended to read:

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

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

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

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

(d) The declaration and bylaws must comply with sections 500.215 ~~and~~, 500.216, and 500.217.

Sec. 7. Minnesota Statutes 2023 Supplement, section 515B.3-102, is amended to read:

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

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

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

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

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

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

(5) make contracts and incur liabilities;

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

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

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

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

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

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association, provided that attorney fees and costs must not be charged or collected from a unit owner who disputes a fine or assessment and, if after the homeowner requests a hearing and a hearing is held by the board or a committee of the board, the board does not adopt a resolution levying the fine or upholding the assessment against the unit owner or owner's unit;

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

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

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

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

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

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

(c) An association that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner that:

(1) states the amount and reason for the fine or assessment;

(2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which a fine is being levied and the date of the levy; and (ii) the specific section of the declaration, bylaws, rules, or regulations allegedly violated;

(3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies: (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

(4) states that all unpaid fines and assessments are liens which, if not satisfied, could lead to foreclosure of the lien against the owner's unit;

(5) describes the unit owner's right to be heard by the board or a committee appointed by the board;

(6) states that if the assessment, fine, late fees, and other allowable charges are not paid, the amount may increase as a result of the imposition of attorney fees and other collection costs; and

(7) informs the unit owner that homeownership assistance is available from the Minnesota Homeownership Center.

(d) Notwithstanding subsection (a), powers exercised under this section must comply with sections 500.215 ~~and~~, 500.216, and 500.217.

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

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

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are

considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (e)(1) and the proxy expressly references this notice.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 524.5-313, is amended to read:

524.5-313 POWERS AND DUTIES OF GUARDIAN.

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to

guardianship. ~~Failure to satisfy the needs and requirements of this clause shall be grounds for removal of a private guardian, but the guardian shall have no personal or monetary liability;~~

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to provide needed care and services. A guardian may not restrict the ability of the person subject to guardianship to communicate, visit, or interact with others, including receiving visitors or making or receiving telephone calls, personal mail, or electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe restriction is necessary because interaction with the person poses a risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid such significant harm. In all cases, the guardian shall provide written notice of the restrictions imposed to the court, to the person subject to guardianship, and to the person subject to restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent

the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

Sec. 9. Minnesota Statutes 2022, section 524.5-315, is amended to read:

524.5-315 RIGHTS AND IMMUNITIES OF GUARDIAN; LIMITATIONS.

(a) A guardian is entitled to reasonable compensation for services as guardian and to reimbursement for expenditures made on behalf of the person subject to guardianship, in a manner consistent with section 524.5-502.

(b) a guardian is not liable to a third person for acts of the person subject to guardianship solely by reason of the relationship. A guardian who exercises reasonable care in choosing a third person providing medical or other care, treatment, or service for the person subject to guardianship is not liable for injury to the person subject to guardianship resulting from the wrongful conduct of the third person.

(c) A guardian may not revoke the health care directive of a person subject to guardianship or conservatorship absent a court order.

(d) A guardian may not initiate the commitment of a person subject to guardianship to an institution except in accordance with section 524.5-313.

(e) Failure to satisfy the duties of a guardian under section 524.5-313, paragraph (c), shall be grounds for removal of a private guardian, but the guardian shall not be held liable for acts or omissions made in the discharge of the guardian's duties except for acts or omissions that result in harm to the person subject to guardianship and that constitute reckless or willful misconduct, or gross negligence.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action accruing on or after that date.

Sec. 10. Minnesota Statutes 2022, section 524.5-317, is amended to read:

524.5-317 TERMINATION OR MODIFICATION OF GUARDIANSHIP; COURT ORDERS.

(a) A guardianship terminates upon the death of the person subject to guardianship, upon the expiration of the duration of guardianship established in the order appointing the guardian, or upon order of the court.

(b) On petition of any person interested in the welfare of the person subject to guardianship the court may terminate a guardianship if the person subject to guardianship no longer needs the assistance or protection of a guardian. The court may modify the type of appointment or powers granted to the guardian if the extent of protection or assistance previously granted is currently excessive or insufficient or the capacity of the person subject to guardianship to provide for support, care,

education, health, and welfare has so changed as to warrant that action. The court may make any other order that is in the best interests of the person subject to guardianship or may grant other appropriate relief.

(c) Except as otherwise ordered by the court for good cause, the court, before terminating a guardianship, shall follow the same procedures to safeguard the rights of the person subject to guardianship as apply to a petition for guardianship. Upon presentation by the petitioner of evidence establishing a prima facie case for termination, the court shall order the termination and discharge the guardian unless it is proven that continuation of the guardianship is in the best interest of the person subject to guardianship.

(d) Any documents or information disclosing or pertaining to health or financial information shall be filed as confidential documents, consistent with the bill of particulars under section 524.5-121.

(e) A guardian has the right to petition the court for discharge from the guardianship.

(f) If, after a good faith effort, the guardian is unable to find a successor guardian, the guardian may petition the court for resignation. The court may allow the guardian to resign if such resignation would not result in substantial harm to the person subject to guardianship based on clear and convincing evidence.

Sec. 11. EFFECTIVE DATE.

Sections 4 and 5 are effective on the day following final enactment and apply to insurance policies issued or renewed in Minnesota on or after August 1 of the year of final enactment. Sections 4 and 5 do not apply to insurance policies issued or renewed prior to August 1 of the year of final enactment or to transfer on death deeds recorded prior to that date unless the grantor owner provides the notice specified by section 5, subdivision 3.

ARTICLE 8

OTHER CIVIL LAW PROVISIONS

Section 1. Minnesota Statutes 2022, section 5B.02, is amended to read:

5B.02 DEFINITIONS.

(a) For purposes of this chapter and unless the context clearly requires otherwise, the definitions in this section have the meanings given them.

(b) "Address" means an individual's work address, school address, or residential street address, as specified on the individual's application to be a program participant under this chapter.

(c) "Applicant" means an adult, a parent or guardian acting on behalf of an eligible minor, or a guardian acting on behalf of an incapacitated person, as defined in section 524.5-102.

(d) "Domestic violence" means an act as defined in section 518B.01, subdivision 2, paragraph (a), and includes a threat of such acts committed against an individual in a domestic situation, regardless of whether these acts or threats have been reported to law enforcement officers.

(e) "Eligible person" means an adult, a minor, or an incapacitated person, as defined in section 524.5-102 for whom there is good reason to believe (1) that the eligible person is a victim of domestic violence, sexual assault, or harassment or stalking, or (2) that the eligible person fears for the person's safety, the safety of another person who resides in the same household, or the safety of persons on whose behalf the application is made. In order to be an eligible person, an individual must reside in Minnesota in order to be an eligible person or must certify that the individual intends to reside in Minnesota within 60 days. A person registered or required to register as a predatory offender under section 243.166 or 243.167, or the law of another jurisdiction, is not an eligible person.

(f) "Mail" means first class letters and flats delivered via the United States Postal Service, including priority, express, and certified mail, and excluding (1) periodicals and catalogues, and (2) packages and parcels unless they are clearly identifiable as nonrefrigerated pharmaceuticals or clearly indicate that they are sent by the federal government or a state or county government agency of the continental United States, Hawaii, District of Columbia, or United States territories.

(g) "Program participant" means an individual certified as a program participant under section 5B.03.

(h) "Harassment" or "stalking" means acts criminalized under section 609.749 and includes a threat of such acts committed against an individual, regardless of whether these acts or threats have been reported to law enforcement officers.

Sec. 2. Minnesota Statutes 2022, section 5B.03, subdivision 3, is amended to read:

Subd. 3. **Certification.** (a) Upon filing a completed application, the secretary of state shall certify the eligible person as a program participant. Unless the program participant is not a Minnesota resident, program participants shall must be certified for four years following the date of filing unless the certification is canceled, withdrawn or invalidated before that date. Applicants from outside of Minnesota must be certified for 60 days. Upon receiving notice that the participant has moved to Minnesota, the participant must be certified for four years following the date of filing unless the certification is canceled, withdrawn, or invalidated before that date. The secretary of state shall by rule establish a renewal procedure.

(b) Certification under this subdivision is for the purpose of participation in the confidentiality program established under this chapter only. Certification must not be used as evidence or be considered for any purpose in any civil, criminal, or administrative proceeding related to the behavior or actions giving rise to the application under subdivision 1.

Sec. 3. Minnesota Statutes 2022, section 5B.04, is amended to read:

5B.04 CERTIFICATION CANCELLATION.

(a) If the program participant obtains a legal change of identity, the participant loses certification as a program participant.

(b) The secretary of state may cancel a program participant's certification if there is a change in the program participant's legal name or contact information, unless the program participant or the person who signed as the applicant on behalf of an eligible person provides the secretary of state with prior notice in writing of the change.

(c) The secretary of state may cancel certification of a program participant if mail forwarded by the secretary to the program participant's address is returned as nondeliverable.

(d) The secretary of state may cancel a program participant's certification if the program participant is no longer an eligible person.

(e) The secretary of state shall cancel certification of a program participant who applies using false information.

(f) The secretary of state shall cancel certification of a program participant who does not reside in Minnesota within 60 days of Safe at Home certification.

Sec. 4. Minnesota Statutes 2022, section 5B.05, is amended to read:

5B.05 USE OF DESIGNATED ADDRESS.

(a) When a program participant presents the address designated by the secretary of state to any person or entity, that address must be accepted as the address of the program participant. The person may or entity must not require the program participant to submit any address that could be used to physically locate the participant either as a substitute or in addition to the designated address, or as a condition of receiving a service or benefit, unless the service or benefit would be impossible to provide without knowledge of the program participant's physical location. Notwithstanding a person's or entity's knowledge of a program participant's physical location, the person or entity must use the program participant's designated address for all mail correspondence with the program participant, unless the participant owns real property through a limited liability company or trust. A person or entity may only mail to an alternative address if the participant owns real property through a trust or a limited liability company and the participant has requested that the person or entity mail correspondence regarding that ownership to an alternate address.

(b) A program participant may use the address designated by the secretary of state as the program participant's work address.

(c) The Office of the Secretary of State shall forward all mail sent to the designated address to the proper program participants.

(d) If a program participant has notified a person or entity in writing, on a form prescribed by the program, that the individual is a program participant and of the requirements of this section, the person or entity must not knowingly disclose the participant's name or address identified by the participant on the notice. If identified on the notice, the ~~individual~~ person or entity receiving the notice must not knowingly disclose the program participant's name, home address, work address, or school address, unless the person to whom the address is disclosed also lives, works, or goes to school at the address disclosed, or the participant has provided written consent to disclosure of the participant's name, home address, work address, or school address for the purpose for which the disclosure will be made. This paragraph applies to the actions and reports of guardians ad litem, except that guardians ad litem may disclose the program participant's name. This paragraph does not apply to records of the judicial branch governed by rules adopted by the supreme court or government entities governed by section 13.045.

Sec. 5. Minnesota Statutes 2022, section 13.045, subdivision 3, is amended to read:

Subd. 3. **Classification of identity and location data; amendment of records; sharing and dissemination.** (a) Identity and location data for which a program participant seeks protection under subdivision 2, paragraph (a), that are not otherwise classified by law as not public are private data on individuals.

(b) Notwithstanding any provision of law to the contrary, private or confidential location data on a program participant who submits a notice under subdivision 3, paragraph (a), may not be shared with any other government entity or nongovernmental entity unless:

(1) the program participant has expressly consented in writing to sharing or dissemination of the data for the purpose for which the sharing or dissemination will occur;

(2) the data are subject to sharing or dissemination pursuant to court order under section 13.03, subdivision 6;

(3) the data are subject to sharing pursuant to section 5B.07, subdivision 2;

(4) the location data related to county of residence are needed to provide public assistance or other government services, or to allocate financial responsibility for the assistance or services;

(5) the data are necessary to perform a government entity's health, safety, or welfare functions, including the provision of emergency 911 services, the assessment and investigation of child or vulnerable adult abuse or neglect, or the assessment or inspection of services or locations for compliance with health, safety, or professional standards; or

(6) the data are necessary to aid an active law enforcement investigation of the program participant.

(c) Data disclosed under paragraph (b), clauses (4) to (6), may be used only for the purposes authorized in this subdivision and may not be further disclosed to any other person or government entity. Government entities receiving or sharing private or confidential data under this subdivision shall establish procedures to protect the data from further disclosure.

(d) Real property record data are governed by subdivision 4a.

(e) Notwithstanding sections 15.17 and 138.17, a government entity may amend records to replace a participant's location data with the participant's designated address.

Sec. 6. Minnesota Statutes 2022, section 13D.05, subdivision 3, is amended to read:

Subd. 3. **What meetings may be closed.** (a) A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting.

(b) Meetings may be closed if the closure is expressly authorized by statute ~~or permitted by the attorney-client privilege.~~

(c) A meeting may be closed if permitted by the attorney-client privilege. A public body must identify on the record the legal issue or case to be discussed prior to closing a meeting under this paragraph. Any person in any court of competent jurisdiction where the administrative office of the local body is located may bring an action claiming that a public body closed a meeting in violation of this paragraph or discussed public business not permitted by attorney-client privilege.

~~(e)~~ (d) A public body may close a meeting:

(1) to determine the asking price for real or personal property to be sold by the government entity;

(2) to review confidential or protected nonpublic appraisal data under section 13.44, subdivision 3; and

(3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property.

Before holding a closed meeting under this paragraph, the public body must identify on the record the particular real or personal property that is the subject of the closed meeting. The proceedings of a meeting closed under this paragraph must be tape recorded at the expense of the public body. The recording must be preserved for eight years after the date of the meeting and made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. If an action is brought claiming that public business other than discussions allowed under this paragraph was transacted at a closed meeting held under this paragraph during the time when the tape is not available to the public, section 13D.03, subdivision 3, applies.

An agreement reached that is based on an offer considered at a closed meeting is contingent on approval of the public body at an open meeting. The actual purchase or sale must be approved at an open meeting after the notice period required by statute or the governing body's internal procedures, and the purchase price or sale price is public data.

~~(d)~~ (e) Meetings may be closed to receive security briefings and reports, to discuss issues related to security systems, to discuss emergency response procedures and to discuss security deficiencies in or recommendations regarding public services, infrastructure and facilities, if disclosure of the information discussed would pose a danger to public safety or compromise security procedures or responses. Financial issues related to security matters must be discussed and all related financial decisions must be made at an open meeting. Before closing a meeting under this paragraph, the public body, in describing the subject to be discussed, must refer to the facilities, systems, procedures, services, or infrastructures to be considered during the closed meeting. A closed meeting must be tape recorded at the expense of the governing body, and the recording must be preserved for at least four years.

Sec. 7. Minnesota Statutes 2022, section 13D.06, subdivision 3, is amended to read:

Subd. 3. **Forfeit office if three violations.** (a) If a person has been found to have ~~intentionally violated this chapter in~~ committed three or more actions brought under separate, intentional violations

of this chapter involving the same governing body, such person shall forfeit any further right to serve on such governing body or in any other capacity with such public body for a period of time equal to the term of office such person was then serving.

(b) The court determining the merits of any action in connection with any alleged third violation shall receive competent, relevant evidence in connection therewith and, upon finding as to the occurrence of a separate third violation, ~~unrelated to the previous violations~~, issue its order declaring the position vacant and notify the appointing authority or clerk of the governing body.

(c) As soon as practicable thereafter the appointing authority or the governing body shall fill the position as in the case of any other vacancy.

Sec. 8. Minnesota Statutes 2022, section 491A.01, subdivision 3a, is amended to read:

Subd. 3a. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed: (1) ~~\$15,000~~ \$20,000; or (2) \$4,000, if the claim involves a consumer credit transaction.

(b) "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(c) Except as otherwise provided in this subdivision and subdivisions 5 to 11, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds \$2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail.

Sec. 9. Minnesota Statutes 2022, section 518B.01, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means the following, if committed against a family or household member by a family or household member:

- (1) physical harm, bodily injury, or assault;
- (2) the infliction of fear of imminent physical harm, bodily injury, or assault; or

(3) terroristic threats, within the meaning of section 609.713, subdivision 1; criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, 609.345, or 609.3451; sexual extortion within the meaning of section 609.3458; or interference with an emergency call within the meaning of section 609.78, subdivision 2.

(b) "Family or household members" means:

- (1) spouses and former spouses;
- (2) parents and children;
- (3) persons related by blood;
- (4) persons who are presently residing together or who have resided together in the past;

(5) persons who have a child in common regardless of whether they have been married or have lived together at any time;

(6) a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time; and

(7) persons involved in a significant romantic or sexual relationship.

Issuance of an order for protection on the ground in clause (6) does not affect a determination of paternity under sections 257.51 to 257.74. In determining whether persons are or have been involved in a significant romantic or sexual relationship under clause (7), the court shall consider the length of time of the relationship; type of relationship; frequency of interaction between the parties; and, if the relationship has terminated, length of time since the termination.

(c) "Qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16.

(d) "Custodian" means any person other than the petitioner or respondent who is under a legal obligation to provide care and support for a minor child of a petitioner or who is in fact providing care and support for a minor child of a petitioner. Custodian does not include any person caring for a minor child if the petitioner's parental rights have been terminated.

Sec. 10. Minnesota Statutes 2022, section 518B.01, subdivision 3b, is amended to read:

Subd. 3b. **Information on petitioner's location or residence.** (a) Upon the petitioner's request, information maintained by the court regarding the petitioner's location or residence is not accessible to the public and may be disclosed only to court personnel or law enforcement for purposes of service of process, conducting an investigation, or enforcing an order.

(b) Upon request of the petitioner or a custodian of the petitioner's minor children, information maintained by the court regarding the location or residence of the petitioner's minor children is not accessible to the public and may be disclosed only to court personnel or law enforcement for purposes of service of process, conducting an investigation, or enforcing an order. If any custodian is a program participant as defined in section 5B.02, paragraph (g), the protections, limitations, and requirements in chapter 5B apply and information maintained by the court regarding the location or residence of the petitioner's minor children is not accessible to the public.

Sec. 11. Minnesota Statutes 2022, section 518B.01, subdivision 4, is amended to read:

Subd. 4. **Order for protection.** There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or by a family or household member, a guardian as defined in section 524.1-201, clause (27), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older on behalf of minor family or household members. A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, or a person with whom the minor has a child in common, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether the petitioner has ever had an order for protection in effect against the respondent.

(d) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The court administrator shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(e) A petition for relief must state whether the petitioner has any minor children and, if so, must provide the name of any custodian of the minor children and must identify the location or residence of the custodian. If any custodian is a program participant as defined in section 5B.02, paragraph (g), the location or residence of the custodian is the address designated by the secretary of state as the address of the program participant. A petition must not be rejected or denied for failure to identify any custodian.

~~(e)~~ (f) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

~~(f)~~ (g) The court shall advise a petitioner under paragraph ~~(e)~~ (f) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

~~(g)~~ (h) The court shall advise a petitioner under paragraph ~~(e)~~ (f) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

~~(h)~~ (i) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

~~(i)~~ (j) The court shall advise the petitioner of the right to request a hearing under subdivision 7, paragraph (c). If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner and the custodian of any of the petitioner's minor children by mail at least five days before the hearing.

~~(j)~~ (k) The court shall advise the petitioner of the right to request supervised parenting time, as provided in section 518.175, subdivision 1a.

Sec. 12. Minnesota Statutes 2022, section 518B.01, subdivision 5, is amended to read:

Subd. 5. **Hearing on application; notice.** (a) Upon receipt of the petition, the court shall order a hearing which shall be held not later than 14 days from the date of the order for hearing unless an ex parte order is issued.

(b) If an ex parte order has been issued under subdivision 7 and the petitioner seeks only the relief under subdivision 7, paragraph (a), a hearing is not required unless:

- (1) the court declines to order the requested relief; or
- (2) one of the parties requests a hearing.

(c) If an ex parte order has been issued under subdivision 7 and the petitioner seeks relief beyond that specified in subdivision 7, paragraph (a), or if the court declines to order relief requested by the petitioner, a hearing must be held within seven days. Personal service of the ex parte order may be made upon the respondent and any custodian at any time up to 12 hours prior to the time set for the hearing, provided that the respondent at the hearing may request a continuance of up to five days if served fewer than five days prior to the hearing which continuance shall be granted unless there are compelling reasons not to.

(d) If an ex parte order has been issued only granting relief under subdivision 7, paragraph (a), and the respondent requests a hearing, the hearing shall be held within ten days of the court's receipt of the respondent's request. Service of the notice of hearing must be made upon the petitioner and any custodian not less than five days prior to the hearing. The court shall serve the notice of hearing

upon the petitioner and any custodian by mail in the manner provided in the Rules of Civil Procedure for pleadings subsequent to a complaint and motions and shall also mail notice of the date and time of the hearing to the respondent. In the event that service cannot be completed in time to give the respondent ~~or~~ petitioner, or any custodian the minimum notice required under this subdivision, the court may set a new hearing date no more than five days later.

(e) If for good cause shown either party is unable to proceed at the initial hearing and requests a continuance and the court finds that a continuance is appropriate, the hearing may be continued. Unless otherwise agreed by the parties and approved by the court, the continuance shall be for no more than five days. If the court grants the requested continuance, the court shall also issue a written order continuing all provisions of the ex parte order pending the issuance of an order after the hearing.

(f) Notwithstanding the preceding provisions of this subdivision, service on the respondent may be made by one week published notice, as provided under section 645.11, provided the petitioner files with the court an affidavit stating that an attempt at personal service made by a sheriff or other law enforcement or corrections officer was unsuccessful because the respondent is avoiding service by concealment or otherwise, and that a copy of the petition and notice of hearing has been mailed to the respondent at the respondent's residence or that the residence is not known to the petitioner. Service under this paragraph is complete seven days after publication. The court shall set a new hearing date if necessary to allow the respondent the five-day minimum notice required under paragraph (d).

Sec. 13. Minnesota Statutes 2022, section 518B.01, subdivision 6a, is amended to read:

Subd. 6a. **Subsequent orders and extensions.** (a) Upon application, notice to all parties, notice to any custodian, and hearing, the court may extend the relief granted in an existing order for protection or, if a petitioner's order for protection is no longer in effect when an application for subsequent relief is made, grant a new order. If the petitioner seeks only the relief under subdivision 7, paragraph (a), a hearing is not required unless the court declines to order the requested relief or the respondent requests a hearing. If a hearing is required, subdivisions 5 and 7 apply to service of the application, notice to the parties and any custodian, and time for the hearing.

(b) The court may extend the terms of an existing order or, if an order is no longer in effect, grant a new order upon a showing that:

(1) the respondent has violated a prior or existing order for protection;

(2) the petitioner is reasonably in fear of physical harm from the respondent;

(3) the respondent has engaged in the act of harassment within the meaning of section 609.749, subdivision 2; or

(4) the respondent is incarcerated and about to be released, or has recently been released from incarceration.

A petitioner does not need to show that physical harm is imminent to obtain an extension or a subsequent order under this subdivision.

(c) Relief granted by the order for protection may be for a period of up to 50 years, if the court finds:

(1) the respondent has violated a prior or existing order for protection on two or more occasions;
or

(2) the petitioner has had two or more orders for protection in effect against the same respondent.

An order issued under this paragraph may restrain the abusing party from committing acts of domestic abuse; or prohibit the abusing party from having any contact with the petitioner, whether in person, by telephone, mail or electronic mail or messaging, through electronic devices, through a third party, or by any other means.

Sec. 14. Minnesota Statutes 2022, section 518B.01, subdivision 7, is amended to read:

Subd. 7. **Ex parte order.** (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte order for protection and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other, including a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order, except by further order of the court;

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment;

(4) ordering the abusing party to have no contact with the petitioner whether in person, by telephone, mail, email, through electronic devices, or through a third party;

(5) continuing all currently available insurance coverage without change in coverage or beneficiary designation;

(6) directing the care, possession, or control of a pet or companion animal owned, possessed, or kept by a party or a child of a party; and

(7) directing the respondent to refrain from physically abusing or injuring any pet or companion animal, without legal justification, known to be owned, possessed, kept, or held by either party or a minor child residing in the residence or household of either party as an indirect means of intentionally threatening the safety of such person.

(b) A finding by the court that there is a basis for issuing an ex parte order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(c) Subject to paragraph (d), an ex parte order for protection shall be effective for a fixed period set by the court, as provided in subdivision 6, paragraph (b), or until modified or vacated by the court pursuant to a hearing. When signed by a referee, the ex parte order becomes effective upon the referee's signature. Upon request, a hearing, as provided by this section, shall be set. Except as

provided in paragraph (d), the respondent shall be personally served forthwith a copy of the ex parte order along with a copy of the petition and, if requested by the petitioner, notice of the date set for the hearing. Any custodian must be served with a copy of the ex parte order. Service on a custodian may be made by personal service or by certified mail. If the petitioner does not request a hearing, an order served on a respondent under this subdivision must include a notice advising the respondent of the right to request a hearing, must be accompanied by a form that can be used by the respondent to request a hearing and must include a conspicuous notice that a hearing will not be held unless requested by the respondent within five days of service of the order.

(d) Service of the ex parte order on the respondent may be made by published notice, as provided under subdivision 5, provided that the petitioner files the affidavit required under that subdivision. If personal service is not made or the affidavit is not filed within 14 days of issuance of the ex parte order, the order expires. If the petitioner does not request a hearing, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing and notice described in paragraph (c). Unless personal service is completed, if service by published notice is not completed within 28 days of issuance of the ex parte order, the order expires. Notice that an order has expired under this paragraph must be sent to any custodian.

(e) If the petitioner seeks relief under subdivision 6 other than the relief described in paragraph (a), the petitioner must request a hearing to obtain the additional relief.

(f) Nothing in this subdivision affects the right of a party to seek modification of an order under subdivision 11.

Sec. 15. Minnesota Statutes 2022, section 518B.01, subdivision 8, is amended to read:

Subd. 8. Service; alternate service; publication; notice. (a) The petition and any order issued under this section other than orders for dismissal shall be served on the respondent personally. Orders for dismissal may be served on the respondent personally or by certified mail. In lieu of personal service of an order for protection, a law enforcement officer may serve a ~~person~~ respondent with a short-form notification as provided in subdivision 8a. The petition and any order issued under this section may be served on any custodian personally or by certified mail.

(b) When service is made out of this state and in the United States, it may be proved by the affidavit of the person making the service. When service is made outside the United States, it may be proved by the affidavit of the person making the service, taken before and certified by any United States minister, charge d'affaires, commissioner, consul, or commercial agent, or other consular or diplomatic officer of the United States appointed to reside in the other country, including all deputies or other representatives of the officer authorized to perform their duties; or before an office authorized to administer an oath with the certificate of an officer of a court of record of the country in which the affidavit is taken as to the identity and authority of the officer taking the affidavit.

(c) If personal service cannot be made on a respondent, the court may order service of the petition and any order issued under this section by alternate means, or by publication, which publication must be made as in other actions. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents,

siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons.

The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent.

The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

(d) A petition and any order issued under this section, including the short-form notification, must include a notice to the respondent that if an order for protection is issued to protect the petitioner or a child of the parties, upon request of the petitioner in any parenting time proceeding, the court shall consider the order for protection in making a decision regarding parenting time.

Sec. 16. Minnesota Statutes 2022, section 518B.01, subdivision 8a, is amended to read:

Subd. 8a. **Short-form notification.** (a) In lieu of personal service of an order for protection under subdivision 8, a law enforcement officer may serve a ~~person~~ respondent with a short-form notification. The short-form notification must include the following clauses: the respondent's name; the respondent's date of birth, if known; the petitioner's name; the names of other protected parties; the date and county in which the ex parte order for protection or order for protection was filed; the court file number; the hearing date and time, if known; the conditions that apply to the respondent, either in checklist form or handwritten; and the name of the judge who signed the order.

The short-form notification must be in bold print in the following form:

The order for protection is now enforceable. You must report to your nearest sheriff office or county court to obtain a copy of the order for protection. You are subject to arrest and may be charged with a misdemeanor, gross misdemeanor, or felony if you violate any of the terms of the order for protection or this short-form notification.

(b) Upon verification of the identity of the respondent and the existence of an unserved order for protection against the respondent, a law enforcement officer may detain the respondent for a reasonable time necessary to complete and serve the short-form notification.

(c) When service is made by short-form notification, it may be proved by the affidavit of the law enforcement officer making the service.

(d) For service under this section only, service upon an individual may occur at any time, including Sundays, and legal holidays.

(e) The superintendent of the Bureau of Criminal Apprehension shall provide the short form to law enforcement agencies.

(f) This section does not apply to service of an order for protection on any custodian.

Sec. 17. Minnesota Statutes 2022, section 518B.01, subdivision 9a, is amended to read:

Subd. 9a. **Service by others.** Peace officers licensed by the state of Minnesota and corrections officers, including, but not limited to, probation officers, court services officers, parole officers, and employees of jails or correctional facilities, may serve an order for protection on a respondent or any custodian.

Sec. 18. Minnesota Statutes 2022, section 518B.01, subdivision 11, is amended to read:

Subd. 11. **Modifying or vacating order.** (a) Upon application, notice to all parties, notice to any custodian, and hearing, the court may modify the terms of an existing order for protection.

(b) If the court orders relief under subdivision 6a, paragraph (c), the respondent named in the order for protection may request to have the order vacated or modified if the order has been in effect for at least five years and the respondent has not violated the order during that time. Application for relief under this subdivision must be made in the county in which the order for protection was issued. Upon receipt of the request, the court shall set a hearing date. Personal service must be made upon the petitioner named in the order for protection not less than 30 days before the date of the hearing. Notice of the request and hearing may be made on any custodian personally or by certified mail. At the hearing, the respondent named in the order for protection has the burden of proving by a preponderance of the evidence that there has been a material change in circumstances and that the reasons upon which the court relied in granting or extending the order for protection no longer apply and are unlikely to occur. If the court finds that the respondent named in the order for protection has met the burden of proof, the court may vacate or modify the order. If the court finds that the respondent named in the order for protection has not met the burden of proof, the court shall deny the request and no request may be made to vacate or modify the order for protection until five years have elapsed from the date of denial. An order vacated or modified under this paragraph must be personally served on the petitioner named in the order for protection and may be served on any custodian personally or by certified mail.

Sec. 19. Minnesota Statutes 2022, section 518B.01, is amended by adding a subdivision to read:

Subd. 11a. **Notice to custodian; Safe at Home participants; failure not a bar to enforcement.** (a) A custodian who is a program participant as defined in section 5B.02, paragraph (g), may direct the court to use the address designated by the secretary of state as the address of the program participant. Section 5B.03, subdivision 1, clause (3), applies to service of any notice, order, or other document required to be served under this section. The protections, limitations, and requirements in chapter 5B apply to any information regarding a custodian who is a program participant.

(b) Failure to serve a custodian with a petition, order for protection, dismissal, or any other order must not prevent any order from taking effect or otherwise invalidate any order issued pursuant to this section. In the event that service of a notice of a hearing is not completed on any custodian at least 24 hours prior to the time set for the hearing, the court may set a new hearing date no more than five days later.

Sec. 20. Minnesota Statutes 2022, section 548.251, subdivision 2, is amended to read:

Subd. 2. **Motion.** In a civil action, whether based on contract or tort, when liability is admitted or is determined by the trier of fact, and when damages include an award to compensate the plaintiff

for losses available to the date of the verdict by collateral sources, a party may file a motion within ten days of the date of entry of the verdict requesting determination of collateral sources. If the motion is filed, the parties shall submit written evidence of, and the court shall determine:

(1) amounts of collateral sources that have been paid for the benefit of the plaintiff or are otherwise available to the plaintiff as a result of losses except those for which a subrogation right has been asserted; and

(2) amounts that have been paid, contributed, or forfeited by, or on behalf of, the plaintiff or members of the plaintiff's immediate family for the two-year period immediately before the accrual of the action and until judgment is entered to secure the right to a collateral source benefit that the plaintiff is receiving as a result of losses.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 21. **[554.07] SHORT TITLE.**

Sections 554.07 to 554.19 may be cited as the "Uniform Public Expression Protection Act."

Sec. 22. **[554.08] SCOPE.**

(a) For the purposes of sections 554.07 to 554.19, the terms in this section have the meanings given them.

(1) "Goods or services" does not include the creation, dissemination, exhibition, or advertisement or similar promotion of a dramatic, literary, musical, political, journalistic, or artistic work.

(2) "Governmental unit" means a public corporation or government or governmental subdivision, agency, or instrumentality.

(3) "Person" means an individual, estate, trust, partnership, business or nonprofit entity, governmental unit, or other legal entity.

(b) Except as otherwise provided in paragraph (c), sections 554.07 to 554.19 apply to a cause of action asserted in a civil action against a person based on the person's:

(1) communication in a legislative, executive, judicial, administrative, or other governmental proceeding;

(2) communication on an issue under consideration or review in a legislative, executive, judicial, administrative, or other governmental proceeding; or

(3) exercise of the right of freedom of speech or of the press, the right to assemble or petition, or the right of association, guaranteed by the United States Constitution or the Minnesota Constitution on a matter of public concern.

(c) Sections 554.07 to 554.19 do not apply to a cause of action:

(1) against a governmental unit or an employee or agent of a governmental unit acting or purporting to act in an official capacity;

(2) by a governmental unit or an employee or agent of a governmental unit acting in an official capacity to enforce a law to protect against an imminent threat to public health or safety;

(3) against a person primarily engaged in the business of selling or leasing goods or services if the cause of action arises out of a communication related to the person's sale or lease of the goods or services;

(4) against a person named in a civil suit brought by a victim of a crime against a perpetrator;

(5) against a person named in a civil suit brought to establish or declare real property possessory rights, use of real property, recovery of real property, quiet title to real property, or related claims relating to real property;

(6) seeking recovery for bodily injury, wrongful death, or survival or to statements made regarding that legal action, unless the claims involve damage to reputation;

(7) brought under the insurance code or arising out of an insurance contract;

(8) based on a common law fraud claim;

(9) brought under chapters 517 to 519A; or counterclaims based on a criminal no-contact order pursuant to section 629.72 or 629.75; for or based on an antiharassment order or a sexual assault protection order under section 518B.01; or for or based on a vulnerable adult protection order for crimes against the vulnerable adult under sections 609.232, 609.2325, 609.233, 609.2335, and 609.234;

(10) brought under chapters 175, 177, 178, 179, and 179A; negligent supervision, retention, or infliction of emotional distress unless the claims involve damage to reputation; wrongful discharge in violation of public policy; whistleblowing; or enforcement of employee rights under civil service, collective bargaining, or handbooks and policies;

(11) brought under consumer protection, chapter 325F or 325G; or

(12) for any claim brought under federal law.

(d) Sections 554.07 to 554.19 apply to a cause of action asserted under paragraph (c), clause (3), (8), or (11), when the cause of action is:

(1) a legal action against a person arising from any act of that person, whether public or private, related to the gathering, receiving, posting, or processing of information for communication to the public, whether or not the information is actually communicated to the public, for the creation, dissemination, exhibition, or advertisement or other similar promotion of a dramatic, literary, musical, political, journalistic, or otherwise artistic work, including audiovisual work regardless of the means of distribution, a motion picture, a television or radio program, or an article published in a newspaper, website, magazine, or other platform, no matter the method or extent of distribution; or

(2) a legal action against a person related to the communication, gathering, receiving, posting, or processing of consumer opinions or commentary, evaluations of consumer complaints, or reviews or ratings of businesses.

Sec. 23. **[554.09] SPECIAL MOTION FOR EXPEDITED RELIEF.**

Not later than 60 days after a party is served with a complaint, crossclaim, counterclaim, third-party claim, or other pleading that asserts a cause of action to which sections 554.07 to 554.19 apply, or at a later time on a showing of good cause, the party may file a special motion for expedited relief to dismiss the cause of action or part of the cause of action.

Sec. 24. **[554.10] STAY.**

(a) Except as otherwise provided in paragraphs (d) to (g), on the filing of a motion under section 554.09:

(1) all other proceedings between the moving party and responding party, including discovery and a pending hearing or motion, are stayed; and

(2) on motion by the moving party, the court may stay a hearing or motion involving another party, or discovery by another party, if the hearing or ruling on the motion would adjudicate, or the discovery would relate to, an issue material to the motion under section 554.09.

(b) A stay under paragraph (a) remains in effect until entry of an order ruling on the motion under section 554.09 and expiration of the time under section 554.15 for the moving party to appeal the order.

(c) Except as otherwise provided in paragraphs (e), (f), and (g), if a party appeals from an order ruling on a motion under section 554.09, all proceedings between all parties in the action are stayed. The stay remains in effect until the conclusion of the appeal.

(d) During a stay under paragraph (a), the court may allow limited discovery if a party shows that specific information is necessary to establish whether a party has satisfied or failed to satisfy a burden under section 554.13, paragraph (a), and the information is not reasonably available unless discovery is allowed.

(e) A motion under section 554.16 for costs, attorney fees, and expenses is not subject to a stay under this section.

(f) A stay under this section does not affect a party's ability voluntarily to dismiss a cause of action or part of a cause of action or move to sever a cause of action.

(g) During a stay under this section, the court for good cause may hear and rule on:

(1) a motion unrelated to the motion under section 554.09; and

(2) a motion seeking a special or preliminary injunction to protect against an imminent threat to public health or safety.

Sec. 25. **[554.11] HEARING.**

(a) The court shall hear a motion under section 554.09 not later than 60 days after filing of the motion, unless the court orders a later hearing:

(1) to allow discovery under section 554.10, paragraph (d); or

(2) for other good cause.

(b) If the court orders a later hearing under paragraph (a), clause (1), the court shall hear the motion under section 554.09 not later than 60 days after the court order allowing the discovery, unless the court orders a later hearing under paragraph (a), clause (2).

Sec. 26. **[554.12] PROOF.**

In ruling on a motion under section 554.09, the court shall consider the pleadings, the motion, any reply or response to the motion, and any evidence that could be considered in ruling on a motion for summary judgment under Minnesota Rules of Civil Procedure 56.03.

Sec. 27. **[554.13] DISMISSAL OF CAUSE OF ACTION IN WHOLE OR PART.**

(a) In ruling on a motion under section 554.09, the court shall dismiss with prejudice a cause of action, or part of a cause of action, if:

(1) the moving party establishes under section 554.08, paragraph (b), that sections 554.07 to 554.19 apply;

(2) the responding party fails to establish under section 554.08, paragraph (c), that sections 554.07 to 554.19 do not apply; and

(3) either:

(i) the responding party fails to establish a prima facie case as to each essential element of the cause of action; or

(ii) the moving party establishes that:

(A) the responding party failed to state a cause of action upon which relief can be granted; or

(B) there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law on the cause of action or part of the cause of action.

(b) A voluntary dismissal without prejudice of a responding party's cause of action, or part of a cause of action, that is the subject of a motion under section 554.09 does not affect a moving party's right to obtain a ruling on the motion and seek costs, attorney fees, and expenses under section 554.16.

(c) A voluntary dismissal with prejudice of a responding party's cause of action, or part of a cause of action, that is the subject of a motion under section 554.09 establishes for the purpose of section 554.16 that the moving party prevailed on the motion.

Sec. 28. **[554.14] RULING.**

The court shall rule on a motion under section 554.09 not later than 60 days after a hearing under section 554.11.

Sec. 29. **[554.15] APPEAL.**

A moving party may appeal as a matter of right from an order denying, in whole or in part, a motion under section 554.09. The appeal must be filed not later than 30 days after entry of the order.

Sec. 30. **[554.16] COSTS, ATTORNEY FEES, AND EXPENSES.**

On a motion under section 554.09, the court shall award court costs, reasonable attorney fees, and reasonable litigation expenses related to the motion:

(1) to the moving party if the moving party prevails on the motion; or

(2) to the responding party if the responding party prevails on the motion and the court finds that the motion was frivolous or filed solely with intent to delay the proceeding.

Sec. 31. **[554.17] CONSTRUCTION.**

Sections 554.07 to 554.19 must be broadly construed and applied to protect the exercise of the right of freedom of speech and of the press, the right to assemble and petition, and the right of association, guaranteed by the United States Constitution or Minnesota Constitution.

Sec. 32. **[554.18] UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Sec. 33. **[554.19] SAVINGS CLAUSE.**

Sections 554.07 to 554.19 do not affect a cause of action asserted before the effective date of sections 554.07 to 554.19 in a civil action or a motion under Minnesota Statutes 2022, sections 554.01 to 554.06, regarding the cause of action.

Sec. 34. **[554.20] NO WAIVER OF OTHER PLEADINGS OR DEFENSES.**

A special motion for expedited relief under sections 554.07 to 554.19 is not meant to waive a defense or preclude the filing of another pleading or motion regarding the cause of action.

Sec. 35. Minnesota Statutes 2022, section 563.01, is amended to read:

563.01 ~~IN FORMA PAUPERIS PROCEEDINGS~~ COURT FEE WAIVER; AUTHORIZATION.

Subd. 2. **Expenses.** Whenever pursuant to this section the court directs expenses to be paid, the expenses shall be paid by the state.

Subd. 3. **Court fee waiver; authorization of in forma pauperis.** (a) Any court of the state of Minnesota or any political subdivision thereof may authorize the commencement or defense of any civil action, or appeal therein, without ~~prepayment~~ payment of fees, costs, and security for costs by

a natural person who makes affidavit stating ~~(a)~~ (1) the nature of the action, defense or appeal, ~~(b)~~ (2) a belief that affiant is entitled to redress, and ~~(c)~~ (3) that affiant is financially unable to pay the fees, costs and security for costs.

(b) Upon a finding by the court that the action, defense, or appeal is not of a frivolous nature, the court shall allow the person to proceed in forma pauperis without payment of fees, costs, and security for costs if the affidavit is substantially in the language required by this subdivision and is not found by the court to be untrue. Persons ~~meeting~~ presumed to meet the requirements of this subdivision include, but are not limited to, a person who is receiving public assistance described in section 550.37, subdivision 14, who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency, or who has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), except as otherwise provided by section 563.02.

(c) If, at commencement of the action, the court finds that a party does not meet the eligibility criteria under paragraph (b), but the court also finds that the party is not able to pay all of the fees, costs, and security for costs, the court may order payment of a fee of \$75 or partial payment of the fees, costs, and security for costs, to be paid as directed by the court.

The court administrator shall transmit any fees or payments to the commissioner of management and budget for deposit in the state treasury and credit to the general fund.

(d) Notwithstanding paragraph (a), a person who is represented by a civil legal services program or a volunteer attorney program based on indigency may be allowed to proceed without payment of fees, costs, and security for costs without additional findings if the attorney representing the person submits an affidavit or makes an oral attestation during a court proceeding stating that civil legal services or a volunteer attorney program services are being provided to the client.

Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the sheriff of any Minnesota county shall perform their duties without charge to the person proceeding ~~in forma pauperis~~ with a court fee waiver. The court shall direct payment of the reasonable expense of service of process pursuant to subdivision 2 if served by a private process server, if the sheriff is unavailable, or by publication.

Subd. 5. **Witness fees.** If the court finds that a witness, including an expert witness, has evidence material and necessary to the case and is within the state of Minnesota, the court shall direct payment of the reasonable expenses incurred in subpoenaing the witness, if necessary, and in paying the fees and costs of the witness.

Subd. 6. **Deposition expenses.** If the court finds that a deposition and transcript thereof are necessary to adequately prepare, present or decide an issue presented by the action, the court shall direct payment of the reasonable expenses incurred in taking the deposition and in obtaining the transcript thereof.

Subd. 7. **Transcript expenses.** If the court finds that a transcript of any part or all of the action is necessary to adequately prepare, present or decide an issue presented by the action, the court shall direct the payment of the reasonable expenses incurred in obtaining the transcript.

Subd. 7a. **Copy costs.** The court administrator shall provide a person who is proceeding ~~in forma pauperis~~ with a court fee waiver under subdivision 3 with a copy of the person's court file without charge.

Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting permission to proceed ~~in forma pauperis following application in the manner~~ with a court fee waiver as provided in subdivision 3, direct payment of the reasonable expenses incurred in obtaining the record and reproducing the appellate briefs.

Subd. 8a. **Reimbursement.** Following commencement of the action, the court may order reimbursement of all or a portion of any fees, costs, and security for costs if the party either (1) no longer meets the eligibility criteria under subdivision 3, paragraph (b); or (2) the amount ordered under subdivision 3, paragraph (c), is no longer appropriate because the party is able to pay a higher amount. The reimbursement must be paid as directed by the court.

Subd. 9. **Rescinding ~~in forma pauperis status~~ court fee waiver authorization.** Upon motion, the court may rescind its permission to proceed ~~in forma pauperis with a court fee waiver under subdivision 3~~ if it finds the allegations of poverty contained in the affidavit are untrue, or if, following commencement of the action, the party becomes able to pay the fees, costs and security for the costs. In such cases, the court may direct the party to pay to the court administrator any costs allowing the action to proceed. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action as in other cases. In the event any person recovers moneys by either settlement or judgment as a result of commencing or defending an action ~~in forma pauperis with a court fee waiver under subdivision 3~~, the costs deferred and the expenses directed by the court to be paid under this section shall be included in such moneys and shall be paid directly to the court administrator by the opposing party. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Subd. 11. **Fraud; perjury.** A person who fraudulently invokes the privilege of this section shall be guilty of perjury and shall, upon conviction thereof, be punished as provided in section 609.48.

Subd. 12. **Not supersede other remedies.** The provisions of this section do not replace or supersede remedies otherwise provided by law.

Sec. 36. **REVISOR INSTRUCTION.**

The revisor of statutes shall prepare legislation for the 2025 legislative session making any additional conforming changes arising out of sections 16 to 29 and 32.

Sec. 37. **REPEALER.**

Minnesota Statutes 2022, sections 554.01; 554.02; 554.03; 554.04; 554.045; 554.05; and 554.06, are repealed.

Sec. 38. **EFFECTIVE DATE.**

Sections 21 to 34, 36, and 37 are effective the day following final enactment and apply to a civil action pending on or commenced on or after that date.

ARTICLE 9

CONTRACTS FOR DEED

Section 1. Minnesota Statutes 2022, section 272.12, is amended to read:

272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.

When:

- (a) a deed or other instrument conveying land,
- (b) a plat of any townsite or addition thereto,
- (c) a survey required pursuant to section 508.47,
- (d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or
- (e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein, or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents evidencing the termination of a contract for deed as described in section 559.213, deeds of distribution made by a personal representative in probate proceedings, transfer on death deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying

gas, liquids or solids in suspension, in the nature of a right-of-way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate to the extent provided in section 515B.1-116(e).

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

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

Sec. 2. Minnesota Statutes 2022, section 507.235, subdivision 1a, is amended to read:

Subd. 1a. **Requirements of vendor.** (a) A vendor entering into a contract for deed involving residential real property must, contemporaneously with the execution of the contract for deed:

~~(1) deliver to the vendee a copy of the contract for deed containing original signatures in recordable form; and~~

~~(2) (b) Within four months of the execution of the contract for deed, the vendor must:~~

~~(1) pay, or reimburse the vendee for payment of, any delinquent taxes necessary for recordation of the contract for deed, unless the contract for deed provides for the vendee to pay the delinquent taxes; and~~

~~(2) record the contract for deed in the office of the county recorder or registrar of titles in the county in which the land is located.~~

~~(c) The following statement included in a contract for deed for other than residential real property shall constitute prima facie evidence that this subdivision does not apply: "The property is not residential real property."~~

~~(d) If the contract for deed is not in recordable form, the vendor must make a good faith effort to correct the defects that rendered the contract unrecordable. A good faith effort includes but is not~~

limited to determining the reason or reasons why the contract was not in recordable form, and revising and, if necessary, having all parties re-execute, the contract to render it in recordable form. The vendee must, in good faith, cooperate with the vendor to the extent that cooperation is necessary to correct the defects.

~~(b)~~ (e) For purposes of this subdivision:

(1) "contract for deed" means an executory contract for the conveyance of residential real property under which the seller provides financing for the purchase of the residential real property and under which the purchaser does or has a right to go into possession. Contract for deed does not include:

(i) a purchase agreement;

(ii) an earnest money contract;

(iii) an exercised option or a lease, including a lease with an option to purchase; or

(iv) a mortgage, as defined in section 287.01; and

(2) "residential real property" means real property ~~occupied, or intended to be occupied, by one to four families, if the purchaser intends to occupy the real property~~ consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:

(i) the purchaser;

(ii) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or

(iii) if the purchaser is a trust, the settlor of the trust.

Residential real property does not include ~~property subject to a family farm security loan or a transaction subject to sections 583.20 to 583.32.~~

(f) The performance of the obligations by the vendor required under this subdivision satisfies any of the obligations of the original vendee, as required under subdivision 1.

(g) The requirements of this subdivision may not be waived or altered by any provision in a contract for deed. A provision in a contract for deed to the contrary is void and unenforceable.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 3. Minnesota Statutes 2022, section 507.235, subdivision 5, is amended to read:

Subd. 5. **Civil enforcement.** (a) A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may enforce the provisions of this section. The city or county may bring an action to compel the recording of a contract for deed or any assignments of a contract for deed, an action to impose the civil penalty, or an action to compel disclosure of information.

(b) Prior to bringing an action under this subdivision to compel recording or to impose the penalty, ~~or an action under subdivision 4,~~ the city or county must provide written notice to the person, subject to subdivision 1, of the person's duty to record the contract for deed or the assignment. If the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice, an action may be brought.

(c) It is an affirmative defense in an enforcement action under this section that the contract for deed or assignment document is not recordable, or that section 272.121 prohibits the recording of the contract for deed or assignment, and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

(d) In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees.

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

Sec. 4. Minnesota Statutes 2022, section 513.73, subdivision 3, is amended to read:

Subd. 3. **Private transfer fee.** "Private transfer fee" means a fee or charge required by a private transfer fee obligation and payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price, or other consideration given for the transfer. The following are not private transfer fees for purposes of this section:

(1) consideration payable by the grantee to the grantor for the interest in real property being transferred, including any subsequent additional consideration for the property payable by the grantee based upon any subsequent appreciation, development, or sale of the property, provided that the additional consideration is payable on a onetime basis only, and the obligation to make the payment does not bind successors in title to the property. For the purposes of this clause, an interest in real property may include a separate mineral estate and its appurtenant surface access rights;

(2) commission payable to a licensed real estate broker for the transfer of real property pursuant to an agreement between the broker and the grantor or the grantee, including any subsequent additional commission for that transfer payable by the grantor or the grantee based upon any subsequent appreciation, development, or sale of the property;

(3) interest, charges, fees, or other amounts payable by a borrower to a lender pursuant to a loan secured by a mortgage against real property, including but not limited to a fee payable to the lender for consenting to an assumption of the loan or a transfer of the real property subject to the mortgage, fees, or charges payable to the lender for estoppel letters or certificates, and shared appreciation interest or profit participation or other consideration and payable to the lender in connection with the loan;

(4) rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor under a lease, including but not limited to a fee payable to the lessor for consenting to an assignment, subletting, encumbrance, or transfer of the lease;

(5) consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon the transfer of the property to another person;

~~(6) consideration payable by a contract for deed vendee to the vendor pursuant to the terms of a recorded contract for deed, including any subsequent additional consideration for the property payable by the vendee based upon any subsequent appreciation, development, or sale of the property;~~

~~(7)~~ (6) a tax, fee, charge, assessment, fine, or other amount payable to or imposed by a governmental authority;

~~(8)~~ (7) a fee, charge, assessment, fine, or other amount payable to a homeowner's condominium, cooperative, mobile home, or property owner's association pursuant to a declaration or covenant or law applicable to the association, including but not limited to fees or charges payable for estoppel letters or certificates issued by the association or its authorized agent;

~~(9)~~ (8) a fee, a charge, an assessment, dues, a contribution, or other amount pertaining to the purchase or transfer of a club membership relating to real property owned by the member, including but not limited to any amount determined by reference to the value, purchase price, or other consideration given for the transfer of the real property; and

~~(10)~~ (9) a mortgage from the purchaser of real property granted to the seller or to a licensed real estate broker.

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

Sec. 5. Minnesota Statutes 2022, section 559.21, subdivision 2a, is amended to read:

Subd. 2a. **For post 7/31/1985 contract.** If a default occurs in the conditions of a contract for the conveyance of real estate or an interest in real estate executed on or after August 1, 1985, that gives the seller a right to terminate it, the seller may terminate the contract by serving upon the purchaser or the purchaser's personal representatives or assigns, within or outside of the state, a notice specifying the conditions in which default has been made. The notice must state that the contract will terminate 60 days, or a shorter period allowed or a longer period required in subdivision 4, after the service of the notice, unless prior to the termination date the purchaser:

(1) complies with the conditions in default;

(2) makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service of the notice, including the reasonable costs of service by sheriff, public officer, or private process server; except payment of costs of service is not required unless the seller notifies the purchaser of the actual costs of service by certified mail to the purchaser's last known address at least ten days prior to the date of termination;

(4) except for earnest money contracts, purchase agreements, and exercised options, pays two percent of any amount in default at the time of service, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) if the contract for deed is executed on or after August 1, 2024, pays an amount to apply on attorneys' fees actually expended or incurred of \$1,000; if the contract is executed on or after August 1, 1999, and before August 1, 2024, pays an amount to apply on attorneys' fees actually expended or incurred, of \$250 if the amount in default is less than \$1,000, and of \$500 if the amount in default is \$1,000 or more; or if the contract is executed before August 1, 1999, pays an amount to apply on attorneys' fees actually expended or incurred, of \$125 if the amount in default is less than \$750, and of \$250 if the amount in default is \$750 or more; except that no amount for attorneys' fees is required to be paid unless some part of the conditions of default has existed for at least 30 days prior to the date of service of the notice.

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

Sec. 6. Minnesota Statutes 2022, section 559.21, subdivision 4, is amended to read:

Subd. 4. **Law prevails over contract; procedure; conditions.** (a) The notice required by this section must be given notwithstanding any provisions in the contract to the contrary, except that (1) earnest money contracts, purchase agreements, and exercised options that are subject to this section may, unless by their terms they provide for a longer termination period, be terminated on 30 days' notice, or may be canceled under section 559.217 and (2) contracts for deed executed by an investor seller shall be terminated on 90 days' notice. The notice must be served within the state in the same manner as a summons in the district court, and outside of the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice outside of the state may be proved by the affidavit of the person making the same, made before an authorized officer having a seal, and within the state by such an affidavit or by the return of the sheriff of any county therein.

(b) If a person to be served is a resident individual who has departed from the state, or cannot be found in the state; or is a nonresident individual or a foreign corporation, partnership, or association, service may be made by publication as provided in this paragraph. Three weeks' published notice has the same effect as personal service of the notice. The published notice must comply with subdivision 3 and state (1) that the person to be served is allowed 90 days after the first date of publication of the notice to comply with the conditions of the contract, and (2) that the contract will terminate 90 days after the first date of publication of the notice, unless before the termination date the purchaser complies with the notice. If the real estate described in the contract is actually occupied, then, in addition to publication, a person in possession must be personally served, in like manner as the service of a summons in a civil action in state district court, within 30 days after the first date of publication of the notice. If an address of a person to be served is known, then within 30 days after the first date of publication of the notice a copy of the notice must be mailed to the person's last known address by first class mail, postage prepaid.

(c) The contract is reinstated if, within the time mentioned, the person served:

(1) complies with the conditions in default;

(2) if subdivision 1d or 2a applies, makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service as provided in subdivision 1b, 1c, 1d, or 2a;

(4) if subdivision 2a applies, pays two percent of the amount in default, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) pays attorneys' fees as provided in subdivision 1b, 1c, 1d, or 2a.

(d) The contract is terminated if the provisions of paragraph (c) are not met.

(e) In the event that the notice was not signed by an attorney for the seller and the seller is not present in the state, or cannot be found in the state, then compliance with the conditions specified in the notice may be made by paying to the court administrator of the district court in the county wherein the real estate or any part thereof is situated any money due and filing proof of compliance with other defaults specified, and the court administrator of the district court shall be deemed the agent of the seller for such purposes. A copy of the notice with proof of service thereof, and the affidavit of the seller, the seller's agent or attorney, showing that the purchaser has not complied with the terms of the notice, may be recorded with the county recorder or registrar of titles, and is prima facie evidence of the facts stated in it; but this section in no case applies to contracts for the sale or conveyance of lands situated in another state or in a foreign country. If the notice is served by publication, the affidavit must state that the affiant believes that the party to be served is not a resident of the state, or cannot be found in the state, and either that the affiant has mailed a copy of the notice by first class mail, postage prepaid, to the party's last known address, or that such address is not known to the affiant.

(f) No notice under this section may be given for a contract for deed executed by an investor seller unless, at least 30 days prior to the service of the notice, some part of the conditions of default has existed and the investor seller has notified the purchaser of such conditions of default by certified mail to the purchaser's last known address.

(g) For purposes of this subdivision, "investor seller" has the meaning given in section 559A.01, subdivision 6.

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

Sec. 7. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

Subd. 4a. Termination prohibited for certain transfers regarding residential real property.

(a) Notwithstanding any provisions in a contract for deed to the contrary, the notice under this section may not be given and no other remedies may be exercised for any contract for deed based on any of the following transfers:

(1) a transfer on death deed conveying or assigning the deceased purchaser's interest in the property to a grantee beneficiary;

(2) a transfer by devise, descent, or operation of law on the death of a joint tenant occurs;

(3) a transfer by which the spouse or children of the purchaser become an owner of the property;

(4) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the purchaser becomes an owner of the property; or

(5) a transfer into an inter vivos trust by which the purchaser is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the property.

(b) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 8. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

Subd. 4b. **Termination prohibited if vendor fails to record contracts for deed involving residential real property.** (a) Notwithstanding subdivision 2a or any provision to the contrary in a contract for deed, a vendor may not terminate a contract for deed under this section if the contract has not been recorded as required under section 507.235, subdivision 1a, paragraph (b), or the vendor has failed to make a good faith effort to record the contract as provided under section 507.235, subdivision 1a, paragraph (d).

(b) Nothing contained in this subdivision bars judicial termination of a contract for deed.

(c) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 9. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

Subd. 9. **Affidavit of seller constituting prima facie evidence.** In any instance where the copy of the notice of default, proof of service of the notice, and an affidavit showing that the purchaser has not complied with the terms of the notice have been or may be recorded, an affidavit of the seller, the seller's agent, or attorney verified by a person having knowledge of the facts and attesting that the seller is not an investor seller or that the seller has complied with the requirements of subdivision 4, paragraph (f), may be recorded with the county recorder or registrar of titles and is prima facie evidence of the facts stated in the affidavit.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 10. Minnesota Statutes 2022, section 559.211, subdivision 1, is amended to read:

Subdivision 1. **Order; proceedings; security.** (a) In an action arising under or in relation to a contract for the conveyance of real estate or any interest therein, the district court, notwithstanding the service or publication pursuant to the provisions of section 559.21 of a notice of termination of the contract, has the authority at any time prior to the effective date of termination of the contract and subject to the requirements of rule 65 of the Rules of Civil Procedure for the District Courts to

enter an order temporarily restraining or enjoining further proceedings to effectuate the termination of the contract, including recording of the notice of termination with proof of service, recording of an affidavit showing noncompliance with the terms of the notice, taking any action to recover possession of the real estate, or otherwise interfering with the purchaser's lawful use of the real estate. In the action, the purchaser may plead affirmatively any matter that would constitute a defense to an action to terminate the contract.

(b) Upon a motion for a temporary restraining order the court has the discretion, notwithstanding any rule of court to the contrary, to grant the order without requiring the giving of any security or undertaking, and in exercising that discretion, the court shall consider, as one factor, the moving party's ability to afford monetary security. Upon a motion for a temporary injunction, the court shall condition the granting of the order either upon the tender to the court or vendor of installments as they become due under the contract or upon the giving of other security in a sum as the court deems proper. Upon written application, the court may disburse from payments tendered to the court an amount the court determines necessary to insure the timely payment of property taxes, property insurance, installments of special assessments, mortgage installments, prior contract for deed installments or other similar expenses directly affecting the real estate, or for any other purpose the court deems just.

(c) If a temporary restraining order or injunction is granted pursuant to this subdivision, the contract shall not terminate until the expiration of 15 days after the entry of the order or decision dissolving or modifying the temporary restraining order or injunction. If the vendor has made an appearance and the restraining order or injunction is granted, the court may award court filing fees, reasonable attorneys' fees, and costs of service to the purchaser.

(d) If the court subsequently grants permanent relief to the purchaser or determines by final order or judgment that the notice of termination was invalid or the purchaser asserted a valid defense, the purchaser is entitled to an order granting court filing fees, reasonable attorneys' fees, and costs of service.

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

Sec. 11. Minnesota Statutes 2022, section 559.213, is amended to read:

559.213 PRIMA FACIE EVIDENCE OF TERMINATION.

The recording, heretofore or hereafter, of the copy of notice of default, proof of service thereof, and the affidavit showing that the purchaser has not complied with the terms of the notice, provided for by ~~Minnesota Statutes 1941~~, section 559.21, shall be prima facie evidence that the contract referred to in such notice has been terminated. It shall not be necessary to pay current or delinquent real estate taxes owed on the real property which is the subject of the contract to record the documents required by this section, provided that the documents must be first presented to the county auditor for entry upon the transfer record and must have "Transfer Entered" noted in them over the county auditor's official signature.

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

Sec. 12. **[559A.01] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 559A.01 to 559A.05.

Subd. 2. **Balloon payment.** "Balloon payment" means a scheduled payment of principal, interest, or both under a contract for deed that is significantly larger than the regular installment payments and that may be due prior to the end of the contract term or may be the final payment that satisfies the contract.

Subd. 3. **Churning.** "Churning" means the act of an investor seller executing a contract for deed on or after August 1, 2024, if previously the investor had frequently or repeatedly executed contracts for deed and subsequently terminated those contracts under section 559.21.

Subd. 4. **Contract for deed.** "Contract for deed" has the meaning given in section 507.235, subdivision 1a.

Subd. 5. **Investor seller.** (a) "Investor seller" means a person entering into a contract for deed to sell residential real property, or, in the event of a transfer or assignment of the seller's interest, the holder of the interest.

(b) An investor seller does not include a person entering into a contract for deed who is:

(1) a natural person who has owned and occupied the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed;

(2) any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(3) a personal representative of the natural person;

(4) a devisee of the natural person;

(5) a grantee under a transfer on death deed made by the natural person; or

(6) a trust whose settlor is the natural person;

(7) a trust whose beneficiary is a natural person where the trust or the natural person, or a combination of the two, has owned, and the natural person has occupied, the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed, or any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(8) a natural person selling on contract for deed to any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin; or

(9) a bank, credit union, or residential mortgage originator that is under the supervision of or regulated by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or the Minnesota Department of Commerce.

(c) If, substantially contemporaneous with the execution of the contract for deed, the seller's interest is assigned or transferred to a person who does not meet any of the qualifications of paragraph

(b), the assignee or transferee shall be deemed to be an investor seller who has executed the contract for deed.

Subd. 6. **Person.** "Person" means a natural person, partnership, corporation, limited liability company, association, trust, or other legal entity, however organized.

Subd. 7. **Purchase agreement.** "Purchase agreement" means a purchase agreement for a contract for deed, an earnest money contract, or an executed option contemplating that, at closing, the investor seller and the purchaser will enter into a contract for deed.

Subd. 8. **Purchaser.** "Purchaser" means a person who executes a contract for deed to purchase residential real property. Purchaser includes all purchasers who execute the same contract for deed to purchase residential real property.

Subd. 9. **Residential real property.** "Residential real property" means real property consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:

(1) the purchaser;

(2) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or

(3) if the purchaser is a trust, the settlor or beneficiary of the trust.

Residential real property does not include a transaction subject to sections 583.20 to 583.32.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 13. **[559A.02] APPLICABILITY.**

This chapter applies only to residential real property where a purchaser is entering into a contract for deed with an investor seller. Either of the following statements included in a contract for deed in which the property is not residential real property or the seller is not an investor seller shall constitute prima facie evidence that this chapter does not apply to the contract for deed: "The property is not residential real property" or "The seller is not an investor seller." A person examining title to the property may rely on either statement.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 14. **[559A.03] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DISCLOSURES.**

Subdivision 1. **Disclosures required.** (a) In addition to the disclosures required under sections 513.52 to 513.61, an investor seller must deliver to a prospective purchaser the disclosures specified under this section and instructions for cancellation as provided under section 559A.04, subdivision 2, paragraph (b).

(b) The disclosures must be affixed to the front of any purchase agreement executed between an investor seller and a prospective purchaser. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after the execution of the purchase agreement by all parties and provision by the investor seller of the disclosures required under this section and instructions for cancellation as required under section 559A.04, subdivision 2, paragraph (b).

(c) If there is no purchase agreement, an investor seller must provide the disclosures required under this section to the prospective purchaser no less than ten calendar days before the prospective purchaser executes the contract for deed. The disclosures must be provided in a document separate from the contract for deed. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after providing the disclosures to the prospective purchaser.

(d) The first page of the disclosures must contain the disclosures required in subdivisions 2, 3, and 4 of this section, in that order. The title must be centered, be in bold, capitalized, and underlined 20-point type, and read "IMPORTANT INFORMATION YOU NEED TO KNOW." The disclosures required under subdivisions 5 and 6 must follow in subsequent pages in that order.

(e) The investor seller must acknowledge delivery, and the purchaser must acknowledge receipt, of the disclosures by signing and dating the disclosures. The acknowledged disclosures shall constitute prima facie evidence that the disclosures have been provided as required by this section.

Subd. 2. **Disclosure of balloon payment.** (a) The investor seller must disclose the amount and due date of, if any, all balloon payments. For purposes of disclosure of a balloon payment, the investor seller may assume that all prior scheduled payments were timely made and no prepayments were made. If there is more than one balloon payment due, each one must be listed separately.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

"BALLOON PAYMENT

This contract contains a lump-sum balloon payment or several balloon payments. When the final balloon payment comes due, you may need to get mortgage or other financing to pay it off (or you will have to sell the property). Even if you are able to sell the property, you may not get back all the money you paid for it.

If you can't come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract.

Amount of Balloon Payment

\$ (amount)

When Balloon Payment is Due

(month, year)"

Subd. 3. **Disclosure of price paid by investor seller to acquire property.** (a) The investor seller must disclose to the purchaser the purchase price and the date of earliest acquisition of the property by the investor seller, unless the acquisition occurs more than one year prior to the execution of the contract for deed.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

"INVESTOR SELLER'S PRICE TO BUY HOUSE BEING SOLD TO BUYER

Date Investor Seller Acquired Property:

(date seller acquired ownership)

Price Paid by Investor Seller to Acquire the Property:

\$ (total purchase price paid by seller to acquire ownership)

Contract for Deed Purchase Price:

\$ (total sale price to the purchaser under the contract)"

(c) For the purposes of this subdivision, unless the acquisition occurred more than one year prior to the execution of the contract for deed, the person who first acquires the property is deemed to be the same person as the investor seller where the person who first acquires the property:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

Subd. 4. Disclosure of other essential terms. (a) An investor seller must disclose to the prospective purchaser the purchase price, the annual interest rate, the amount of any down payment, and whether the purchaser is responsible for any or all of the following: paying property taxes, acquiring homeowner's insurance, making repairs, and maintaining the property.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

"COSTS AND ESSENTIAL TERMS

- | | |
|--|---|
| <u>1. Purchase Price:</u> | <u>\$ (price)</u> |
| <u>2. Annual Interest Rate:</u> | <u>(interest rate) %</u> |
| <u>3. Down payment:</u> | <u>\$ (down payment)</u> |
| <u>4. Monthly/Period Installments:</u> | <u>\$ (amount of installment payment)</u> |

5. Taxes, Homeowner's Insurance, Repairs and Maintenance:You (seller must circle one):

- | | | |
|----------------|----------------|--|
| <u>(a) DO</u> | <u>DO NOT</u> | <u>have to pay property taxes</u> |
| <u>(b) DO</u> | <u>DO NOT</u> | <u>have to pay homeowner's insurance</u> |
| <u>(c) ARE</u> | <u>ARE NOT</u> | <u>responsible for repairs and maintenance."</u> |

Subd. 5. **General disclosure.** (a) An investor seller must provide the prospective purchaser with a general disclosure about contracts for deeds as provided in this subdivision.

(b) The disclosure must be in the following form, with the title in 18-point type, the titles of the sections in 14-point type and underlined, and the text of each section in 12-point type, with a double space between each section:

"KNOW WHAT YOU ARE GETTING INTO BEFORE YOU SIGN**1. How Contracts for Deed Work**

A contract for deed is a complicated legal arrangement. Be sure you know exactly what you are getting into before you sign a contract for deed. A contract for deed is **NOT** a mortgage. Minnesota's foreclosure protections do **NOT** apply.

You should get advice from a lawyer or the Minnesota Homeownership Center before you sign the contract. You can contact the Homeownership Center at 1-(866)-462-6466 or go to www.hocmn.org.

2. What If I Can't Make My Payments?

If you don't make your monthly installment payment or the balloon payment, the seller can cancel the contract in only 120 days from the date you missed the payment. If the contract is cancelled, **you lose your home and all the money you have paid, including any down payment, all the monthly payments, and any improvements to the property you have made.**

If the contract contains a final lump-sum "balloon payment," you will need to get a mortgage or other financing to pay it off (**or you will have to sell the property**). If you can't come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract. **Even if you are able to sell the property, you may not get back all the money you have paid for it.**

3. BEFORE YOU SIGN, YOU SHOULD:

A. Get an Independent, Professional Appraisal of the property to learn what it's worth and make sure you are not overpaying for the house.

B. Get an Independent, Professional Inspection of the property because you will probably be responsible for maintaining and making repairs on the house.

C. Buy Title Insurance from a title insurance company or ask a lawyer for a "title opinion" to address or minimize potential title problems.

4. YOUR RIGHTS BEFORE YOU SIGN

A. Waiting Period After Getting Disclosures There is a 10 calendar day waiting period after you get these disclosures. The contract for deed cannot be signed by you or the seller during that 10 calendar day period.

B. Cancelling a Purchase Agreement You have 10 calendar days after you get these disclosures to cancel your purchase agreement and get back any money you paid."

Subd. 6. Amortization schedule. In a document separate from all others, an investor seller must provide to the prospective purchaser an amortization schedule consistent with the contract for deed, including the portion of each installment payment that will be applied to interest and to principal and the amount and due date of any balloon payments.

Subd. 7. Disclosures in other languages. If the contract was advertised or primarily negotiated with the purchaser in a language other than English, the investor seller must provide the disclosures required in this section in the language in which the contract was advertised or primarily negotiated.

Subd. 8. No waiver. The provisions of this section may not be waived.

Subd. 9. Effects of violation. Except as provided in section 559A.05, subdivision 2, a violation of this section has no effect on the validity of the contract for deed.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 15. [559A.04] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; RIGHTS AND REQUIREMENTS.

Subdivision 1. Requirement of investor seller if property subject to mortgage. An investor may not execute a contract for deed that is subject to a mortgage with a due-on-sale clause and not expressly assumed by the contract for deed purchaser unless the investor seller has:

(1) procured a binding agreement with the mortgage holder whereby the holder either consents to the sale of the property to the purchaser by contract for deed or agrees not to exercise the holder's rights under a due-on-sale clause in the mortgage based on the contract for deed; and

(2) in the contract:

(i) disclosed the existence of the investor seller's mortgage;

(ii) covenants that the investor seller will perform all obligations under the mortgage; and

(iii) expressly represents to the purchaser that the seller has procured the binding agreement required under clause (1).

Subd. 2. **Right to cancel purchase agreement.** (a) A prospective purchaser may cancel a purchase agreement prior to the execution by all parties of the contract for deed or within ten calendar days of receiving the disclosures required under section 559A.03, whichever is earlier.

(b) In addition to the disclosures required under section 559A.03, an investor seller must provide the prospective purchaser with notice of the person to whom, and the mailing address to where, cancellation of the purchase agreement must be delivered or sent. Cancellation of the purchase agreement is effective upon personal delivery or upon mailing.

(c) In the event of cancellation or if no purchase agreement has been signed and the prospective purchaser elects not to execute the contract for deed, the investor seller may not impose a penalty or fee and must promptly refund all payments made by the prospective purchaser.

Subd. 3. **Duty of investor seller to account.** The investor seller must inform the purchaser in a separate writing of the right to request an annual accounting. Upon reasonable written request by the purchaser and no more than once every calendar year, an investor seller must provide an accounting of:

(1) all payments made pursuant to the contract for deed during the prior calendar year with payments allocated between interest and principal;

(2) any delinquent payments;

(3) the total principal amount remaining to satisfy the contract for deed; and

(4) the anticipated amounts and due dates of all balloon payments.

Subd. 4. **Churning prohibited.** (a) An investor seller is prohibited from churning. There is a rebuttable presumption that the investor seller has violated this subdivision if, on or after August 1, 2024, the investor seller executes a contract for deed and, within the previous 48 months, the investor seller either:

(1) had completed two or more termination proceedings under section 559.21 on the same residential real property being sold by the contract for deed; or

(2) had completed four or more termination proceedings under section 559.21 on contracts for deed for any residential real property, where terminated contracts comprise 20 percent or more of all contracts executed by the investor seller during that period.

(b) Nothing contained in this subdivision or in section 559A.01, subdivision 3, shall invalidate, impair, affect, or give rise to any cause of action with respect to any contract for deed or termination proceeding under section 559.21 used as a predicate to establish the presumption under paragraph (a).

(c) For the purposes of this subdivision, a person who sold residential real property on a contract for deed is deemed to be the same person as the investor seller where the person who sold on a contract for deed:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

Subd. 5. Duty of investor seller to refund down payments. (a) If an investor seller terminates a contract for deed under section 559.21 within 48 months of executing the contract, any portion of the down payment that exceeded ten percent of the purchase price shall be refunded to the purchaser within 180 days of the termination of the contract.

(b) Upon delivery to the purchaser by the investor seller of reasonable documentation that any of the following expenses were incurred or taxes and contract payments were unpaid, an investor seller may offset against the refund for, as applicable:

(1) any unpaid real estate taxes for the period prior to termination of the contract;

(2) any unpaid insurance premiums for the period prior to termination of the contract incurred by the investor seller;

(3) the reasonable cost of necessary repairs for damage to the residential real property caused by the purchaser, beyond ordinary wear and tear, incurred by the investor seller;

(4) attorney fees, not to exceed \$1,000, and costs of service incurred in connection with the termination of the contract;

(5) any unpaid utility arrears for the period prior to termination of the contract incurred by the investor seller; and

(6) one-half of the unpaid monthly contract installment payments, exclusive of balloon payments, that accrued prior to termination of the contract.

(c) If the purchaser disputes any amount that an investor seller claims as the refund or an offset, the purchaser may commence an action in district court or conciliation court to determine the amount of the refund or the offsets and recover any money owed by the investor seller to the purchaser. The purchaser is entitled to recover from the investor seller any portion of the down payment that the court finds is owed by the investor seller to the purchaser not previously paid to the purchaser. Any attorney expressly authorized by the investor seller to receive payments in the notice of termination is designated as the attorney who may receive service as agent for the investor seller in such action in the same manner as provided in section 559.21, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 16. **[559A.05] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; REMEDIES FOR VIOLATION.**

Subdivision 1. **Definition.** For the purposes of this section, "material violation of section 559A.03" means:

(1) if applicable, failure to disclose any balloon payment as required under section 559A.03, subdivision 2;

(2) failure to disclose the price paid by the investor seller under the contract for deed to acquire property as required under section 559A.03, subdivision 3;

(3) failure to disclose the other essential terms of the contract as required under section 559A.03, subdivision 4;

(4) failure to provide the general disclosure in substantially the form required under section 559A.03, subdivision 5;

(5) failure to disclose the amortization schedule as required under section 559A.03, subdivision 6;

(6) a violation of section 559A.03, subdivision 1, paragraph (b) or (c);

(7) a violation of section 559A.03, subdivision 7; or

(8) a material omission or misstatement of any of the information required to be disclosed under section 559A.03.

Subd. 2. **Remedy for violation of disclosure requirements or churning.** (a) Notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may, within two years of the execution of the contract for deed, bring an action for relief for a material violation of section 559A.03 or a violation of 559A.04, subdivision 4. A prevailing purchaser may rescind a contract and, in conjunction with the rescission, may recover against the investor seller a sum equal to:

(1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;

(2) the reasonable value of any improvements to the residential real property made by the purchaser;

(3) actual, consequential, and incidental damages; and

(4) reasonable attorneys' fees and costs.

(b) A claim for rescission and a money judgment awarded under this subdivision shall not affect any rights or responsibilities of a successor in interest to the investor seller prior to the filing of a lis pendens in the action in which such relief is sought, unless it is established by clear and convincing

evidence that the successor in interest had prior knowledge that the contract for deed was executed in violation of the requirements of section 559A.03 or 559A.04, subdivision 4.

(c) A purchaser barred under paragraph (b) from making a claim against a successor in interest to the investor seller may, within two years of the execution of the contract for deed, bring a claim for violation of the requirements of section 559A.03 or 559A.04, subdivision 4, against the original investor seller who entered into the contract for deed and may recover the greater of actual damages or statutory damages of \$5,000, plus reasonable attorneys' fees and costs. The original investor seller shall have no claim for indemnification or contribution against the successor in interest.

Subd. 3. Remedy for failure of investor seller to procure agreement with mortgage holder.

(a) If a mortgage holder commences foreclosure of its mortgage based on the sale to a purchaser under the contract for deed and notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may bring an action for the failure of the investor seller to procure the agreement with the mortgage holder as required under section 559A.04, subdivision 2. A prevailing purchaser may rescind a contract and may recover against the investor seller a sum equal to:

(1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;

(2) the reasonable value of any improvements to the residential real property made by the purchaser;

(3) actual, consequential, and incidental damages; and

(4) reasonable attorneys' fees and costs.

(b) An action under this subdivision may be brought at any time and is not subject to the statute of limitations in subdivision 2, provided that, at least 30 days prior to bringing the action, a purchaser must deliver a notice of violation to the investor seller under the contract for deed personally or by United States mail.

(c) An investor seller may cure the violation at any time prior to entry of a final judgment by delivering to the purchaser either evidence of the agreement with the mortgage holder as required under section 559A.04, subdivision 2, or evidence that the mortgage holder has abandoned foreclosure of the mortgage. If the violation is cured, the purchaser's action must be dismissed. An investor seller is liable to the purchaser for reasonable attorneys' fees and court costs if the seller delivers evidence of the mortgage holder's agreement or abandonment of the foreclosure after the purchaser has commenced the action.

(d) Nothing in this subdivision shall be construed to bar or limit any other claim by a purchaser arising from the investor seller's breach of a senior mortgage.

Subd. 4. Defense to termination. A purchaser's right to the remedy under subdivision 2 or 3 shall constitute grounds for injunctive relief under section 559.211.

Subd. 5. **Effect of action on title.** An action under subdivision 2 or 3 is personal to the purchaser only, does not constitute an interest separate from the purchaser's interest in the contract for deed, and may not be assigned except to a successor in interest.

Subd. 6. **Rights cumulative.** The rights and remedies provided in this section are cumulative to, and not a limitation of, any other rights and remedies provided under law and at equity. Nothing in this chapter shall preclude a court from construing a contract for deed as an equitable mortgage.

Subd. 7. **Public enforcement.** The attorney general has authority under section 8.31 to investigate and prosecute violations of sections 559A.03 and 559A.04, subdivision 4.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 17. **REPEALER.**

Minnesota Statutes 2022, sections 559.201; and 559.202, are repealed.

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

ARTICLE 10

SERVICE OF RESTRAINING AND PROTECTION ORDERS

Section 1. Minnesota Statutes 2022, section 518B.01, subdivision 3a, is amended to read:

~~Subd. 3a. **Filing fee.** The filing fees for an order for protection under this section are waived for the petitioner and respondent. The court administrator, the sheriff of any county in this state, and other law enforcement and corrections officers shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.~~

Sec. 2. Minnesota Statutes 2022, section 518B.01, subdivision 8, is amended to read:

Subd. 8. **Service; alternate service; publication; notice.** (a) The petition and any order issued under this section other than orders for dismissal shall be served on the respondent personally, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that an order for protection will be issued, the order may be served on the respondent electronically or by first class mail, as ordered by the court. Orders for dismissal may be served personally or by certified mail. In lieu of personal service of an order for protection, a law enforcement officer may serve a person with a short-form notification as provided in subdivision 8a.

(b) When service is made out of this state and in the United States, it may be proved by the affidavit of the person making the service. When service is made outside the United States, it may be proved by the affidavit of the person making the service, taken before and certified by any United States minister, charge d'affaires, commissioner, consul, or commercial agent, or other consular or diplomatic officer of the United States appointed to reside in the other country, including all deputies

or other representatives of the officer authorized to perform their duties; or before an office authorized to administer an oath with the certificate of an officer of a court of record of the country in which the affidavit is taken as to the identity and authority of the officer taking the affidavit.

(c) If personal service cannot be made, the court may order service of the petition and any order issued under this section by alternate means, or by publication, which publication must be made as in other actions. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons.

The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent.

The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

(d) A petition and any order issued under this section, including the short-form notification, must include a notice to the respondent that if an order for protection is issued to protect the petitioner or a child of the parties, upon request of the petitioner in any parenting time proceeding, the court shall consider the order for protection in making a decision regarding parenting time.

Sec. 3. Minnesota Statutes 2022, section 518B.01, subdivision 9, is amended to read:

Subd. 9. **Assistance of sheriff in service or execution; possession of dwelling or residence.** When an order is issued under this section upon request of the petitioner, the court shall order the sheriff to accompany the petitioner and assist in placing the petitioner in possession of the dwelling or residence, ~~or otherwise assist in execution or service of the order of protection. If the application for relief is brought in a county in which the respondent is not present, the sheriff shall forward the pleadings necessary for service upon the respondent to the sheriff of the county in which the respondent is present. This transmittal must be expedited to allow for timely service.~~

Sec. 4. Minnesota Statutes 2022, section 518B.01, subdivision 9a, is amended to read:

Subd. 9a. **Personal service by others; procedures; cost; reasonable efforts and cooperation required.** (a) Where personal service is required under this section, service must comply with subdivision 8 and rule 4.03 of the Rules of Civil Procedure.

(b) Upon request of the petitioner or order of the court, the sheriff of any county in this state in which a respondent resides or is present must execute or serve any petition, ex parte order, notice of hearing, order for protection, and any other order of a court on the respondent. If the application for relief is brought in a county in which the respondent is not present, the sheriff of the county where the application for relief was brought shall forward the pleadings necessary for service upon

the respondent to the sheriff of the county in which the respondent is present. This transmittal must be expedited to allow for timely service.

(c) Peace officers licensed by the state of Minnesota and corrections officers, including, but not limited to, probation officers, court services officers, parole officers, and employees of jails or correctional facilities, may serve an order for protection and must, to the extent possible, provide any sheriff, law enforcement officer, or other peace officer attempting to effectuate service with relevant information regarding where a respondent may be found, such as the respondent's residence, the respondent's place of employment or schooling, or other locations frequented by the respondent.

(d) The court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer shall perform the duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement officer, peace officer, or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.

(e) A sheriff, law enforcement officer, or any other peace officer must make reasonable efforts to locate a respondent to effectuate service. Reasonable efforts may include a search of any information that is publicly available; a search of any government data in a database to which the sheriff, law enforcement officer, or other peace officer has access, provided the data is classified as public data on individuals as defined in section 13.02, subdivision 15, or is otherwise available to criminal justice agencies, as defined in section 13.02, subdivision 3a; and communication with any court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer.

(f) A sheriff, law enforcement officer, or any other peace officer who serves a respondent who the sheriff or officer knows is on supervised probation with an ex parte order, order for protection, or short-form notification must provide a copy of the served order or notification to the respondent's probation officer.

Sec. 5. Minnesota Statutes 2022, section 609.748, subdivision 3a, is amended to read:

Subd. 3a. **Filing fee; cost of service.** The filing fees for a restraining order under this section are waived for the petitioner and the respondent if the petition alleges acts that would constitute a violation of section 609.749, subdivision 2, 3, 4, or 5, or sections 609.342 to 609.3451. ~~The court administrator and any peace officer in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when a peace officer is unavailable or if service is made by publication.~~

Sec. 6. Minnesota Statutes 2022, section 609.748, subdivision 5, is amended to read:

Subd. 5. **Restraining order.** (a) The court may issue a restraining order that provides any or all of the following:

- (1) orders the respondent to cease or avoid the harassment of another person; or
- (2) orders the respondent to have no contact with another person.

(b) The court may issue an order under paragraph (a) if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) a peace officer has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the right to request a hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. If the court finds that the petitioner has had two or more previous restraining orders in effect against the same respondent or the respondent has violated a prior or existing restraining order on two or more occasions, relief granted by the restraining order may be for a period of up to 50 years. In all other cases, relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

(c) An order issued under this subdivision must be personally served upon the respondent, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that a restraining order will be issued, the order may be served on the respondent electronically or by first class mail, as ordered by the court.

(d) If the court orders relief for a period of up to 50 years under paragraph (a), the respondent named in the restraining order may request to have the restraining order vacated or modified if the order has been in effect for at least five years and the respondent has not violated the order. Application for relief under this paragraph must be made in the county in which the restraining order was issued. Upon receipt of the request, the court shall set a hearing date. Personal service must be made upon the petitioner named in the restraining order not less than 30 days before the date of the hearing. At the hearing, the respondent named in the restraining order has the burden of proving by a preponderance of the evidence that there has been a material change in circumstances and that the reasons upon which the court relied in granting the restraining order no longer apply and are unlikely to occur. If the court finds that the respondent named in the restraining order has met the burden of proof, the court may vacate or modify the order. If the court finds that the respondent named in the restraining order has not met the burden of proof, the court shall deny the request and no request may be made to vacate or modify the restraining order until five years have elapsed from the date of denial. An order vacated or modified under this paragraph must be personally served on the petitioner named in the restraining order.

Sec. 7. Minnesota Statutes 2022, section 609.748, subdivision 5b, is amended to read:

Subd. 5b. **Personal service by others; procedures; cost; reasonable efforts and cooperation required.** (a) Where personal service is required under this section, service must comply with rule 4.03 of the Rules of Civil Procedure.

(b) In addition to peace officers, corrections officers, including but not limited to probation officers, court services officers, parole officers, and employees of jails or correctional facilities,

may serve a temporary restraining order or restraining order and must, to the extent possible, provide any sheriff, law enforcement officer, or other peace officer attempting to effectuate service with relevant information regarding where a respondent may be found, such as the respondent's residence, the respondent's place of employment or schooling, or other locations frequented by the respondent.

(c) The court administrator and any peace officer in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when a peace officer is unavailable or if service is made by publication.

(d) A peace officer must make reasonable efforts to locate a respondent to effectuate service. Reasonable efforts may include a search of any information that is publicly available; a search of any government data in a database to which the sheriff, law enforcement officer, or other peace officer has access, provided the data is classified as public data on individuals as defined in section 13.02, subdivision 15, or is otherwise available to criminal justice agencies, as defined in section 13.02, subdivision 3a; and communication with any court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer.

(e) A sheriff, law enforcement officer, or any other peace officer who serves a respondent who the sheriff or officer knows is on supervised probation with a temporary restraining order, restraining order, or short-form notification must provide a copy of the served order or notification to the respondent's probation officer, supervised release or conditional release agent, or parole officer.

Sec. 8. Minnesota Statutes 2022, section 609.748, is amended by adding a subdivision to read:

Subd. 5c. **Dismissals.** Orders for dismissal of a temporary restraining order or a restraining order may be served personally or by certified mail."

Amend the title accordingly

And when so amended the bill do pass.

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

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 4158: A bill for an act relating to housing; expanding eligible uses of housing infrastructure bonds; authorizing the issuance of additional housing infrastructure bonds; amending Minnesota Statutes 2022, section 462A.37, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 462A.37, subdivisions 1, 2, 5.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HOUSING APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **HOUSING FINANCE AGENCY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>63,025,000</u>
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(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

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

<u>Subd. 2. Family Homeless Prevention</u>		<u>-0-</u>		<u>8,804,000</u>
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This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204. Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees. This is a onetime appropriation.

<u>Subd. 3. Minnesota Homeless Study</u>		<u>-0-</u>		<u>500,000</u>
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This appropriation is for a grant to the Amherst H. Wilder Foundation for the Minnesota homeless study. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use

up to one percent of this appropriation for administrative costs. This is a onetime appropriation.

Subd. 4. Wilder Park Association Capital Repair Project

-0- 3,250,000

This appropriation is for a grant to the Wilder Park Association to assist with the cost of a major capital repair project for the rehabilitation of portions of the owner-occupied senior high-rise facility. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs. This is a onetime appropriation.

Subd. 5. Housing Affordability Preservation Investment

-0- 50,000,000

This appropriation is for the housing affordability preservation investment program under article 2, section 25. This is a onetime appropriation.

Subd. 6. Expediting Rental Assistance

-0- 471,000

This appropriation is for the agency's work under article 3 of this act. This is a onetime appropriation.

Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY

\$ -0- \$ 225,000

This appropriation is for the single-exit stairway apartment building report under article 2, section 27. This is a onetime appropriation.

Sec. 4. Laws 2023, chapter 37, article 1, section 2, subdivision 17, is amended to read:

Subd. 17. Housing Infrastructure 100,000,000 ~~100,000,000~~
60,000,000

This appropriation is for the housing infrastructure program for the eligible purposes under Minnesota Statutes, section 462A.37, subdivision 2. This is a onetime appropriation.

Sec. 5. Laws 2023, chapter 37, article 1, section 2, subdivision 25, is amended to read:

Subd. 25. <u>Manufactured Home Lending Grants Program</u>	10,000,000	-0-
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(a) This appropriation is for the a grant to NeighborWorks Home Partners for a manufactured home lending grant program. This is a onetime appropriation.

(b) The funds must be used for new manufactured home financing programs; manufactured home down payment assistance; or manufactured home repair, renovation, removal, and site preparation financing programs.

(c) Interest earned and repayments of principal from loans issued under this subdivision must be used for the purposes of this subdivision.

(d) For the purposes of this subdivision, the term "manufactured home" has the meaning given in Minnesota Statutes, section 327B.01, subdivision 13.

Sec. 6. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

Subd. 29. <u>Community Stabilization</u>	45,000,000	45,000,000 <u>31,750,000</u>
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This appropriation is for the community stabilization program. This a onetime appropriation. Of this amount, \$10,000,000 is for a grant to AEON for Huntington Place.

Sec. 7. **REPEALER.**

Laws 2023, chapter 37, article 2, section 13, is repealed.

ARTICLE 2

HOUSING POLICY

Section 1. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

Subd. 10. **Energy conservation decarbonization and climate resilience.** It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and

persons of low and moderate income in particular. These conditions are adverse to the health, welfare, and safety of all of the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by all citizens of the state, while giving preference to low and moderate income people, to assist in the installation in their dwellings of reasonably priced energy conserving systems including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency of, clean energy, greenhouse gas emissions reduction, climate resiliency, and other qualified projects for all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 2. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements decarbonization, climate resiliency, and other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or fewer dwelling units, one of which is occupied by the owner.

Sec. 3. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

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

Sec. 4. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy ~~conservation~~ rehabilitation measures decarbonization, climate resiliency, and other qualified projects for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking; chimney construction or improvement; furnace or space heater repair, cleaning or replacement; central air conditioner installation, repair, maintenance, or replacement; air source or geothermal heat pump installation, repair, maintenance, or replacement; insulation; windows and doors; and structural or other directly related repairs or installations essential for energy ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Loans under this subdivision or subdivision 14 may:

(1) be integrated with a utility's on-bill repayment program approved under section 216B.241, subdivision 5d; and

(2) also be made for the installation of on-site solar energy or energy storage systems.

Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 504B.425, paragraph (d). No grant shall be made unless the agency determines that the grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy ~~conservation-related improvements~~ decarbonization, climate resiliency, or other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering this provision, establish codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any grant shall not exceed the lesser of (a) \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without spending an unreasonable portion of the income of the person or family thereon. In making grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required.

(b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing under this subdivision to persons of low and moderate income for the purpose of qualifying as foster parents.

Sec. 6. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

Subd. 15b. **Energy ~~conservation~~ decarbonization and climate resiliency grants.** (a) It may make grants to assist in energy ~~conservation-rehabilitation measures~~ decarbonization, climate resiliency, and other qualified projects for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. The grant to any household shall not exceed \$2,000.

(b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate resiliency grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The

receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization, climate resiliency, and other qualified projects necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter-occupied homes or apartments that do not comply with standards set forth in section 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption, that will decarbonize, and that will ensure the climate resiliency of housing.

Sec. 9. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended to read:

Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter~~.

Sec. 10. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 19. **Eligibility for agency programs.** The agency may determine that a household or project unit meets the rent or income requirements for a program if the household or unit receives or participates in income-based state or federal public assistance benefits, including but not limited to:

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

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

(3) housing support under chapter 256I;

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

(5) economic assistance programs under chapter 256P.

Sec. 11. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate income persons who own existing residential housing for the purpose of improving the ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted improvements shall include installation or upgrading of ceiling, wall, floor and duct insulation, storm windows and doors, and caulking and weatherstripping. The improvements shall not be inconsistent with the energy standards as promulgated as part of the State Building Code; provided that the improvements need not bring the housing into full compliance with the energy standards. Any loan for such purpose shall be made only upon determination by the agency that such loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions. The agency may promulgate rules as necessary to implement and make specific the provisions of this subdivision. The rules shall be designed to permit the state, to the extent not inconsistent with this chapter, to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and other qualified projects.

Sec. 12. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$5,000,000,000~~ \$7,000,000,000.

Sec. 13. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund. Money in the fund is appropriated to the agency for these purposes and to the commissioner of ~~management and budget~~ the Minnesota Housing Finance Agency to pay costs incurred by the commissioner of ~~management and budget~~ the Minnesota Housing Finance Agency to administer the fund.

Sec. 14. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be

issued to fund loans, or grants for the purposes of clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing;

(6) to finance the costs of acquisition, rehabilitation, and replacement of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs;

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing; and

(8) to finance the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

(4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

(d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.

(f) If a loan recipient uses the loan for new construction or substantial rehabilitation as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at least one accessible unit as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by the agency from meeting other applicable accessibility requirements.

Sec. 15. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2i, the agency may issue up to \$50,000,000 in one or more series to which the payments under this section may be pledged.

Sec. 16. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended to read:

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

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

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

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

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

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

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

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain

outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

(j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

Sec. 17. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended to read:

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

(b) "Eligible project area" means a home rule charter or statutory city located outside of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside a metropolitan county as defined in section 473.121, subdivision 4;~~ federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

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

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

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

Sec. 18. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency may make grants to counties and cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. The commissioner may make a grant award only after determining that nonstate resources are committed to complete the project. The nonstate contribution may be cash, other committed grant funds, or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

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

(b) "City" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(c) "Housing infrastructure" means publicly owned physical infrastructure necessary to support housing development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may be a single-family or multifamily housing development, and either owner-occupied or rental. Housing projects eligible for a grant under this section may also be a manufactured home development qualifying for homestead treatment under section 273.124, subdivision 3a.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city or county must include in its application a resolution of the county board or city council certifying that the required nonstate match is available. The commissioner must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the county or city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Maximum grant amount.** A county or city may receive no more than ~~\$30,000~~ \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for multifamily housing with more than four units per building. A county or city may receive no more than \$500,000 in two years for one or more housing developments. The \$500,000 limitation does not apply to use on manufactured housing developments.

Sec. 19. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and loans to be used for multifamily and single family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition or removal of existing structures; construction financing; permanent financing; interest rate reduction; and refinancing.

(b) The agency may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions, including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

~~(c) The agency shall separately set aside:~~

~~(1) at least ten percent of the financing under this section for housing units located in a township or city with a population of 2,500 or less that is located outside the metropolitan area, as defined in section 473.121, subdivision 2;~~

~~(2) at least 35 percent of the financing under this section for housing for persons and families whose income is 50 percent or less of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and~~

~~(3) at least 25 percent of the financing under this section for single family housing.~~

~~(d) If by September 1 of each year the agency does not receive requests to use all of the amounts set aside under paragraph (c), the agency may use any remaining financing for other projects eligible under this section.~~

Sec. 20. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means ~~an individual who~~:

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used ~~and is using that housing as their domicile~~;

(3) an individual who meets the following criteria:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(4) an individual who meets the following criteria:

(i) the individual directly owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(1) made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(3) meets the following criteria:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

~~(d) The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be disqualified either individually or in combination with one or more members of the taxpayer's family, as defined in the Internal Revenue Code, section 267(c)(4). For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this paragraph subdivision apply collectively to the taxpayer and spouse. For purposes of determining the ownership interest of a taxpayer under paragraph (a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code apply.~~

(e) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

(f) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian tribe or subdivision located in Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

~~(g) Except for the set-aside provided in subdivision 2, paragraph (d),~~ Eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

Sec. 21. Minnesota Statutes 2022, section 469.012, is amended by adding a subdivision to read:

Subd. 14. Assistance to preserve naturally occurring affordable housing. An authority may provide financial assistance of any kind, including but not limited to grants, loans, forgivable loans, payment of interest, interest rate reduction, issuance of bonds and the spending of the proceeds of the bonds, to assist with the capital repair or replacement of an asset or category of assets with a regular life span in excess of 25 years and with a project cost in excess of \$5,000,000, where: (1) the capital repair project is in a multifamily housing building, whether owner-occupied or rental; (2) at least 25 percent of the units were sold or are rented to households meeting low-income requirements set by the United States Department of Housing and Urban Development; and (3) more than 25 years has elapsed since the asset or category of assets has been repaired or replaced. In the case of a common interest community, the assistance authorized herein may be provided whether or not the assets being repaired or replaced are owned by the individual unit owners or by the common interest community of which the individual unit owners are part of the membership, and may be provided to the common interest community or to individual unit owners, or both.

Sec. 22. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Challenge Program	60,425,000	60,425,000
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(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, \$6,425,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) Of the amount in the first year, \$5,000,000 is for a grant to Urban Homeworks to expand initiatives pertaining to deeply affordable homeownership in Minneapolis neighborhoods with over 40 percent of residents identifying as Black, Indigenous, or People of Color and at least 40 percent of residents making less than 50 percent of the area median income. The grant is to be used for acquisition, rehabilitation, gap financing as defined in section 462A.33, subdivision 1, and construction of homes to

be sold to households with incomes ~~of 50 to~~ at or below 60 percent of the area median income. This is a onetime appropriation, ~~and is available until June 30, 2027.~~ By December 15 each year ~~until 2027~~, Urban Homeworks must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the amount used for (1) acquisition, (2) rehabilitation, and (3) construction of housing units, along with the number of housing units acquired, rehabilitated, or constructed, and the amount of the appropriation that has been spent. If any home was sold or transferred within the year covered by the report, Urban Homeworks must include the price at which the home was sold, as well as how much was spent to complete the project before sale.

(d) Of the amount in the first year, \$2,000,000 is for a grant to Rondo Community Land Trust. This is a onetime appropriation.

(e) The base for this program in fiscal year 2026 and beyond is \$12,925,000.

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

Sec. 23. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

Subd. 32. Northland Foundation	1,000,000	-0-
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This appropriation is for a grant to Northland Foundation for use on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3, to assist and support communities in providing housing locally, and ~~on~~ for assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This appropriation is onetime and available until June 30, 2025.

Sec. 24. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer" means an individual:

(1) whose income is at or below 130 percent of area median income;

~~(2) who resides in a census tract where at least 60 percent of occupied housing units are renter occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;~~

~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free, fee-based mortgage; and

~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.

Sec. 25. **HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program to support recapitalization of distressed buildings.

Subd. 2. **Definitions.** For purposes of this section:

(1) "distressed building" means an existing rental housing building in which the units are restricted to households at or below 60 percent of the area median income, and:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio of less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes; and

(2) "recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance, security services, property insurance, capital improvements, funding of reserves for supportive services, and property operations.

Subd. 3. **Grant program.** The commissioner must use a request for proposal process to consider funding requests and award grants to finance recapitalization of distressed buildings. In awarding grants, the commissioner must give priority to distressed buildings most at risk of losing affordable housing, to the extent practicable.

Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and homelessness. The report must detail the number of applications received, the amount of funding requested, the grants awarded, and the number of affordable housing units preserved through awards under this section.

Sec. 26. REPORT ON RENTAL HOUSING PROGRAMS.

The commissioner of the Minnesota Housing Finance Agency must review the financial impacts of the low-income rental property tax classification in Minnesota Statutes, section 273.128, and the low-income housing tax credit program under section 42 of the Internal Revenue Code, including the extent of rent increases and housing related expenses. By December 15, 2024, the commissioner must report on the findings and recommendations for legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over human services, housing finance, and taxes. The commissioner must use existing financial resources for this review and report.

Sec. 27. SINGLE-EXIT STAIRWAY APARTMENT BUILDING REPORT.

The commissioner of labor and industry must evaluate conditions under which single-exit stairway apartment buildings above three stories up to 75 feet, would achieve life safety outcomes equal to or superior to currently adopted codes, including those for multifamily buildings with very large footprints and single-family houses. The commissioner must use research techniques that include smoke modeling, egress modeling, an analysis of fire loss history in jurisdictions that have already adopted similar provisions, and interviews with fire services regarding fire suppression and rescue techniques in such buildings. The commissioner shall consult with relevant stakeholders, including but not limited to the Minnesota Fire Chiefs Association, Minnesota Professional Firefighters Association, Association of Minnesota Building Officials, Housing First Minnesota, Center for Building in North America, and faculty from the relevant department of a university which grants degrees in fire protection engineering. The commissioner may contract with external experts or an independent third party to develop the report and perform other functions required of the commissioner under this section. By December 31, 2025, the commissioner must report on the findings to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and state building codes.

Sec. 28. REPORT TO THE LEGISLATURE.

By January 15 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy containing the following information:

- (1) the total number of applications for funding;
- (2) the amount of funding requested;
- (3) the amounts of funding awarded; and
- (4) the number of housing units that are affected by funding awards, including the number of:
 - (i) newly constructed owner-occupied units;
 - (ii) renovated owner-occupied units;
 - (iii) newly constructed rental units; and
 - (iv) renovated rental units.

Sec. 29. REVISOR INSTRUCTION.

The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make necessary cross-reference changes in Minnesota Statutes.

ARTICLE 3**EXPEDITING RENTAL ASSISTANCE****Section 1. [462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL ASSISTANCE NEEDS.**

The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and Tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.

Sec. 2. DATA COLLECTION TO MEASURE TIMELINESS OF RENTAL ASSISTANCE.

The commissioner of the Minnesota Housing Finance Agency must work with the commissioner of human services to develop criteria for measuring the timeliness of processing applications for rental assistance. The commissioner of the Minnesota Housing Finance Agency must collect data to monitor application speeds of the family homelessness prevention and assistance program and use the collected data to inform improvements to application processing systems. By January 15, 2027, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include analysis of the data collected and whether goals have been met to (1) process an emergency rental assistance application within two weeks of the receipt of a complete application, and (2) if approved, make payment to a landlord within 30 days of the receipt of a complete application.

Sec. 3. E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.

The commissioner of the Minnesota Housing Finance Agency, working with the commissioner of human services, shall develop uniform e-signature options to be used in applications for the family homelessness prevention and assistance program. No later than June 30, 2026, the commissioner shall require administrators of the family homelessness prevention and assistance program to incorporate and implement the developed e-signature options. The commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over housing of the date when the e-signature options are implemented.

Sec. 4. VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.

(a) The commissioner of the Minnesota Housing Finance Agency, working with program administrators, must develop recommendations to simplify the process of verifying information in applications for the family homelessness prevention and assistance program. In developing recommendations, the commissioner must consider:

(1) allowing self-attestation of emergencies, assets, and income;

(2) allowing verbal authorization by applicants to allow emergency rental assistance administrators to communicate with landlords and utility providers regarding applications for assistance; and

(3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

(b) The commissioner must:

(1) prepare recommendations by January 1, 2025;

(2) adopt any recommendations by July 1, 2025; and

(3) provide technical assistance to counties, Tribes, and other emergency rental assistance administrators to implement these recommendations.

(c) By January 13, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing detailing the proposed recommendations required by this section. By July 7, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing detailing the recommendations adopted as required by this section."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money to the Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; authorizing housing infrastructure bonds; requiring reports; amending Minnesota Statutes 2022, sections 462A.02, subdivision 10; 462A.05, subdivisions 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding a subdivision; 462A.21, subdivision 7; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 469.012, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.39, subdivision 2; 462A.395; Laws 2023, chapter 37, article 1, section 2, subdivisions 2, 17, 25, 29, 32; article 2, section 12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Laws 2023, chapter 37, article 2, section 13."

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

Senator Kunesh from the Committee on Education Finance, to which was referred

S.F. No. 5252: A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, American Indian education, teachers, charter schools, special education, facilities,

nutrition, libraries, early childhood education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; Minnesota Statutes 2023 Supplement, sections 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2, 3; 123B.92, subdivision 11; 124D.151, subdivision 6; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 7, 9, 17, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 8, 9; article 2, section 64, subdivisions 2, 6, 14, 16, 21, 23, 26, 31; article 4, section 21, subdivisions 2, 5; article 5, sections 64, subdivisions 3, 5, 13, 14, 15, 16; 65, subdivisions 3, 6; article 7, section 18, subdivisions 2, 3, 4, 6, 7; article 8, section 19, subdivisions 3, 5, 6; article 9, section 18, subdivisions 4, 8; article 11, section 11, subdivisions 2, 3, 5, 10; repealing Laws 2023, chapter 55, article 10, section 4.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2022, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student ~~without a disability~~, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 350 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.92, subdivision 11, is amended to read:

Subd. 11. **Area learning center transportation aid.** (a) A district or cooperative unit under section 123A.24, subdivision 2, that provides transportation of pupils to and from an area learning center program established under section 123A.05 is eligible for state aid to reimburse the additional costs of transportation during the preceding fiscal year.

(b) A district or cooperative unit under section 123A.24, subdivision 2, may apply to the commissioner of education for state aid to reimburse the costs of transporting pupils who are enrolled in an area learning center program established under section 123A.05 during the preceding fiscal year. The commissioner shall develop the form and manner of applications for state aid, the criteria to determine when transportation is necessary, and the accounting procedure to determine excess costs. In determining aid amounts, the commissioner shall consider other revenue received by the district or cooperative unit under section 123A.24, subdivision 2, for transportation for area learning center purposes.

(c) The total aid entitlement for this section is \$1,000,000 each year. The commissioner must prorate aid if this amount is insufficient to reimburse ~~district costs~~ for a district or cooperative unit under section 123A.24, subdivision 2.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 3. Minnesota Statutes 2023 Supplement, section 124D.65, subdivision 5, as amended by Laws 2024, chapter 85, section 21, is amended to read:

Subd. 5. **School district EL revenue.** (a) For fiscal year 2024 through fiscal year 2026, a district's English learner programs revenue equals the sum of:

(1) the product of (i) \$1,228, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year; and

(2) \$436 times the English learner pupil units under section 126C.05, subdivision 17.

(b) For fiscal year 2027 and later, a district's English learner programs revenue equals the sum of:

(1) the product of (i) \$1,775, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year; and

(2) \$630 times the English learner pupil units under section 126C.05, subdivision 17; ~~and~~

~~(3) the district's English learner cross-subsidy aid. A district's English learner cross-subsidy aid equals 25 percent of the district's English learner cross-subsidy under paragraph (e) for fiscal year 2027 and later.~~

~~(c) A district's English learner cross-subsidy equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year.~~

~~(d) A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.~~

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

Sec. 4. Minnesota Statutes 2022, section 124D.65, is amended by adding a subdivision to read:

Subd. 5a. **English learner cross subsidy aid.** (a) For fiscal year 2027 and later, a district's English learner cross subsidy aid equals 25 percent of the district's English learner cross subsidy calculated under paragraph (b).

(b) A district's English learner cross subsidy equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year. For the purposes of this subdivision, "qualifying English learner services" means the services necessary to implement the language instruction educational program for students identified as English learners under sections 124D.58 to 124D.65. Only expenditures that both address the English language development standards in Minnesota Rules, parts 3501.1200 and 3501.1210, which may include home language instruction, and are supplemental to the cost of core content instruction may be included as expenditures for qualifying English learner services. Expenditures do not include costs related to construction, indirect costs, core content instruction, or core administrative personnel.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 124D.995, subdivision 3, is amended to read:

Subd. 3. **Money appropriated.** (a) Subject to the availability of funds, money in the account is annually appropriated to the commissioner of education to reimburse school districts; charter schools; intermediate school districts and cooperative units under section 123A.24, subdivision 2; the Perpich Center for Arts Education; and the Minnesota State Academies for costs associated with providing unemployment benefits to school employees under section 268.085, subdivision 7, paragraph (b).

(b) The Perpich Center for Arts Education and the Minnesota State Academies may only apply to the commissioner for reimbursement of unemployment insurance amounts in excess of the amounts specifically identified in their annual agency appropriations.

(c) If the amount in the account is insufficient, the commissioner must proportionately reduce the aid payment to each recipient. Notwithstanding section 127A.45, subdivision 3, aid payments must be paid ~~40~~ 90 percent in the current year and ten percent in the following year on a schedule determined by the commissioner.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 6. Minnesota Statutes 2022, section 126C.05, subdivision 15, is amended to read:

Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student ~~without a disability~~ in an all-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student ~~without a disability~~, that pupil may be counted as more than one pupil in average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the

ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of 850 hours or the number of hours required for a full-time kindergarten student ~~without a disability~~ in the district to 850 for a kindergarten student ~~without a disability~~. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(iii) General education revenue for a pupil in a state-approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit or graduation standards necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by 1,020.

(iv) For a state-approved alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 7. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) Local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals \$424 times the adjusted pupil units of the district for that school year.

(b) A district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.

(d) For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$548,842. For fiscal year 2024, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000. For fiscal year 2025, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to ~~\$587,244~~ \$626,450. For fiscal year 2026, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$642,038. For fiscal year 2027 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$671,345.

(e) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

(f) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 8. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) ~~For fiscal year 2024, the compensatory education revenue for each building in the district equals the formula allowance minus \$839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. A district's compensatory revenue equals the sum of its compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70,~~

subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

~~(b) For fiscal year 2025, compensatory revenue must be calculated under Laws 2023, chapter 18, section 3. For fiscal years 2024 and 2025, the compensatory education revenue for each building in the district equals the formula allowance minus \$839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.~~

~~(c) For fiscal year 2026 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.~~

(d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

~~(f) Notwithstanding paragraph (e), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, compensatory education revenue must be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory education revenue must be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensatory education revenue must be prorated based on the ratio of the number of days of student instruction to 170 days.~~

~~(g) (f) Notwithstanding paragraph (c), for fiscal year 2026, if the calculation under paragraph (d) results in statewide revenue of sum of the amounts calculated under paragraph (c) is less than \$838,947,000, additional revenue must be provided the commissioner must proportionately increase the revenue to each building in a manner prescribed by the commissioner of education until the total statewide revenue calculated for each building equals \$838,947,000.~~

~~(h) (g) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the calculation under paragraph (d) results in statewide revenue of sum of the amounts calculated under paragraph (c) is less than \$857,152,000, additional revenue must be provided the commissioner must proportionately increase the revenue to each building in a manner prescribed by the commissioner of education until the total statewide revenue calculated for each building equals \$857,152,000.~~

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 9. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3a, is amended to read:

Subd. 3a. **Definitions.** The definitions in this subdivision apply only to subdivisions 3, 3b, and 3c.

(a) "Building compensatory allowance" means a building concentration factor multiplied by the statewide compensatory allowance.

(b) "Building concentration factor" means the ratio of a building's compensatory pupils to the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(c) "Compensatory pupils" means the sum of the number of pupils enrolled in a building eligible to receive free meals pursuant to subdivision 3b plus one-half of the pupils eligible to receive reduced-priced meals pursuant to subdivision 3b on October 1 of the previous fiscal year.

(d) "Statewide compensatory allowance" means the amount calculated pursuant to subdivision 3c.

(e) Notwithstanding paragraphs (b) and (c), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, the building concentration factor and compensatory pupils must be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, the building concentration factor and compensatory pupils must be computed based on pupils enrolled on an alternate date determined by the commissioner and the compensatory pupils must be prorated based on the ratio of the number of days of student instruction to 170 days.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 10. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3c, is amended to read:

Subd. 3c. **Statewide compensatory allowance.** ~~(a)~~ For fiscal year 2026, the statewide compensatory allowance is \$6,734. For fiscal year 2027 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.

~~(b) For fiscal year 2026 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.~~

Sec. 11. Minnesota Statutes 2022, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** (a) To obtain operating capital revenue, a district may levy an amount not more than the product of its operating capital equalization revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals \$23,902 for fiscal year 2020, \$23,885 for fiscal year 2021, and \$22,912 for fiscal year 2022 and later 2024, \$23,138 for fiscal year 2025, and \$22,912 for fiscal year 2026 and later.

(b) A district's operating capital equalization revenue equals the district's total operating capital revenue under subdivision 13, calculated without the amount under subdivision 13, paragraph (a), clause (3).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 12. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 18a, is amended to read:

Subd. 18a. **Pupil transportation adjustment.** (a) An independent, common, or special school district's transportation sparsity revenue under subdivision 18 is increased by the greater of zero or 35 percent of the difference between:

(1) the lesser of the district's total cost for regular and excess pupil transportation under section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal year or 105 percent of the district's total cost for the second previous fiscal year; and

(2) the sum of:

(i) 4.66 percent of the district's basic revenue for the previous fiscal year;

(ii) transportation sparsity revenue under subdivision 18 for the previous fiscal year;

(iii) the district's charter school transportation adjustment for the previous fiscal year; ~~and~~

(iv) the district's reimbursement for transportation provided under section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi); and

(v) the district's area learning center transportation aid under section 123B.92, subdivision 11.

(b) A charter school's pupil transportation adjustment equals the school district per pupil unit adjustment under paragraph (a).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 13. Minnesota Statutes 2022, section 127A.33, is amended to read:

127A.33 SCHOOL ENDOWMENT FUND; APPORTIONMENT.

The commissioner ~~shall~~ must apportion the school endowment fund semiannually on the first Monday in March and September in each year; to districts ~~whose schools~~ and participating schools and American Indian schools as defined in section 124D.73 that have been in session at least nine months. The apportionment ~~shall~~ must be in proportion to each district's, participating school's, and American Indian school's adjusted average daily membership during the preceding year. The apportionment ~~shall~~ must not be paid to a district, participating school, or American Indian school for pupils for whom tuition is received by the district or school.

Sec. 14. Laws 2023, chapter 55, article 1, section 36, subdivision 2, as amended by Laws 2024, chapter 81, section 1, is amended to read:

Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	8,103,909,000	.....	2024
	8,299,317,000		
\$	<u>8,333,843,000</u>	.....	2025

(b) The 2024 appropriation includes \$707,254,000 for 2023 and \$7,396,655,000 for 2024.

(c) The 2025 appropriation includes \$771,421,000 for 2024 and ~~\$7,527,896,000~~ \$7,562,422,000 for 2025.

Sec. 15. Laws 2023, chapter 55, article 1, section 36, subdivision 8, is amended to read:

Subd. 8. **One-room schoolhouse.** (a) For a ~~grant~~ aid to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

\$	65,000	.....	2024
\$	65,000	.....	2025

(b) This aid is 100 percent payable in the current year.

Sec. 16. Laws 2023, chapter 64, article 15, section 34, subdivision 2, is amended to read:

Subd. 2. **Windom School District onetime supplemental aid.** (a) For aid to Independent School District No. 177, Windom:

\$	1,000,000	2024
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(b) For fiscal year 2024 only, Windom School District's onetime supplemental aid equals the greater of zero or the product of: (1) \$10,000, and (2) the difference between the October 1, 2022, pupil enrollment count and the October 1, 2023, pupil enrollment count. The amount calculated under this paragraph must not exceed \$1,000,000.

(c) 100 percent of the aid must be paid in the current year.

(d) This is a onetime appropriation.

(e) On June 29, 2024, \$840,000 from the initial fiscal year 2024 appropriation is canceled to the general fund.

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

Sec. 17. **BASIC SKILLS REVENUE ACCOUNT TRANSFERS.**

Notwithstanding Minnesota Statutes, section 126C.15, subdivision 4, by June 30, 2025, school districts with a balance in their basic skills revenue account that is restricted for use on extended time programs must transfer those funds to an account that is restricted for basic skills revenue.

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

ARTICLE 2**EDUCATION EXCELLENCE**

Section 1. Minnesota Statutes 2023 Supplement, section 121A.642, is amended to read:

121A.642 PARAPROFESSIONAL TRAINING.

Subdivision 1. **Training required.** A school district ~~or~~, charter school, intermediate, other cooperative unit, Perpich Center for Arts Education, or the Minnesota State Academies must provide a minimum of eight hours of paid orientation or professional development annually to all paraprofessionals, Title I aides, and other instructional support staff. Six of the eight hours must be completed before the first instructional day of the school year or within 30 days of hire. The orientation or professional development must be relevant to the employee's occupation and may include collaboration time with classroom teachers and planning for the school year. For paraprofessionals who provide direct support to students, at least 50 percent of the professional development or orientation must be dedicated to meeting the requirements of this section. Professional development for paraprofessionals may also address the requirements of section 120B.363, subdivision 3. A school administrator must provide an annual certification of compliance with this requirement to the commissioner.

Subd. 2. **Reimbursement for paraprofessional training.** (a) Beginning in fiscal year 2025, the commissioner of education must reimburse school districts, charter schools, intermediate school districts and other cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies in the form and manner specified by the commissioner for paraprofessional training costs.

(b) The paraprofessional reimbursement equals the prior year compensation expenses associated with providing up to eight hours of paid orientation and professional development for each paraprofessional trained under subdivision 1. "Compensation" means the regular hourly wage as defined in applicable collective bargaining agreements, Federal Insurance Contributions Act (FICA) taxes under United States Code, title 26, chapter 21, and employer contributions required under chapter 352, 353, 354, or 354A.

(c) The commissioner may establish procedures to ensure that any costs reimbursed under this section are excluded from other school revenue calculations.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 2. Minnesota Statutes 2022, section 124D.093, subdivision 4, is amended to read:

Subd. 4. **Approval process.** (a) The commissioner of education must appoint an advisory committee to review the applications and to recommend approval for those applications that meet the requirements of this section. The commissioner of education has final authority over application approvals.

(b) To the extent practicable, the commissioner must ensure an equitable geographic distribution of approved P-TECH schools.

~~(e) The commissioner must first begin approving applications for a P-TECH school enrolling students in the 2020-2021 school year or later.~~

Sec. 3. Minnesota Statutes 2022, section 124D.093, subdivision 5, is amended to read:

Subd. 5. **P-TECH implementation grants: support; start-up; and mentoring grants.** (a) When an appropriation is available, each P-TECH school is eligible for a grant to support start-up and ongoing program costs, which may include, but are not limited to, recruitment, student support, program materials, and P-TECH school liaisons. A P-TECH school may form a partnership with a school in another school district.

(b) For fiscal year 2026 and later, the maximum P-TECH support grant must not exceed \$500,000 per year. A support grant may be awarded for a period not to exceed two years.

(c) An approved P-TECH school is eligible to receive a grant to support start-up costs the year before first enrolling P-TECH students. A start-up grant may be awarded to a new applicant in an amount not to exceed \$50,000.

(d) A grant recipient operating a P-TECH program may provide mentoring and technical assistance to a school eligible for a start-up grant. A mentoring and technical assistance grant may not exceed \$50,000.

(e) For each year that an appropriation is made for the purposes of this section, the department may retain five percent of the appropriation for grant administration and program oversight.

Sec. 4. Minnesota Statutes 2022, section 124D.19, subdivision 8, is amended to read:

Subd. 8. **Program approval.** ~~To be eligible for revenue for the program for adults with disabilities, a program and budget must receive approval from the community education section in the department. Approval may be for five years. During that time, a board must report any significant changes to the department for approval. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. A request for approval~~ (a) Beginning July 1, 2024, and at least once every five years thereafter, a district's community education advisory council must review and approve the district's adults with disabilities program and submit a statement of assurances to the commissioner in the form and manner determined by the commissioner. The program must seek feedback from adults with disabilities and other community organizations providing services to adults with disabilities.

(b) Each school district with an adults with disabilities program must include all of at least the following information about its adults with disabilities program in its annual community education report under subdivision 14:

- (1) a summary of the characteristics of the people to be served by the program;
- (2) a description of the program services and activities;
- (3) the most recent program budget and amount of aid requested;
- (4) a summary of the participation by adults with disabilities in developing the program;

- (5) an assessment of the needs of adults with disabilities; and
- (6) a description of cooperative efforts with community organizations.

EFFECTIVE DATE. This section is effective July 1, 2024, for plans developed on or after that date.

Sec. 5. Minnesota Statutes 2023 Supplement, section 124D.81, subdivision 2b, is amended to read:

Subd. 2b. **Carry forward of funds.** Notwithstanding section 16A.28, if a school district or Tribal contract school does not expend the full amount of the American Indian education aid in accordance with the plan in the designated fiscal year, the school district or Tribal contract school may carry forward and expend up to half of the remaining funds in the ~~first six months of the~~ following fiscal year, and is not subject to an aid reduction if:

- (1) the district is otherwise following the plan submitted and approved under subdivision 2;
- (2) the American Indian Parent Advisory Committee for the school is aware of and has approved the carry forward and has concurred with the district's educational offerings extended to American Indian students under section 124D.78;
- (3) the funds carried over are used in accordance with section 124D.74, subdivision 1; and
- (4) by April 1, the district reports to the Department of Education American Indian education director the reason the aid was not expended in the designated fiscal year, and describes how the district intends to expend the funds in the following fiscal year. The district must report this information in the form and manner determined by the commissioner.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 6. Minnesota Statutes 2022, section 124D.957, subdivision 1, is amended to read:

Subdivision 1. **Establishment and membership.** The Minnesota Youth Council Committee is established within and under the auspices of the Minnesota Alliance With Youth. The committee consists of four members from each congressional district in Minnesota and four members selected at-large. Members must be selected through an application and interview process conducted by the Minnesota Alliance With Youth. In making its appointments, the Minnesota Alliance With Youth should strive to ensure gender and ethnic diversity in the committee's membership. Members must be ~~between the ages of 13 and 19~~ in grades 8 through 12 and serve two-year terms, except that one-half of the initial members must serve a one-year term. Members may serve a maximum of two terms.

Sec. 7. Laws 2023, chapter 55, article 1, section 36, subdivision 13, is amended to read:

Subd. 13. **Emergency medical training.** (a) For grants to offer high school students courses in emergency medical services:

\$	500,000	.....	2024
\$	500,000 <u>750,000</u>	.....	2025

(b) A school district, charter school, or cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant under this section to offer enrolled students emergency medical services courses approved by the Minnesota Emergency Medical Services Regulatory Board to prepare students to take the emergency medical technician certification test, including an emergency medical services course that is a prerequisite to an emergency medical technician course.

(c) A grant recipient may use grant funds to partner with a district, charter school, cooperative unit, postsecondary institution, political subdivision, or entity with expertise in emergency medical services, including health systems, hospitals, ambulance services, and health care providers to offer an emergency medical services course.

(d) Eligible uses of grant funds include teacher salaries, transportation, equipment costs, emergency medical technician certification test fees, and student background checks.

(e) To the extent practicable, the commissioner must award at least half of the grant funds to applicants outside of the seven-county metropolitan area, and at least 30 percent of the grant funds to applicants with high concentrations of students of color.

(f) Any balance in the first year does not cancel but is available in the second year.

(g) Of the amount in fiscal year 2025 only, \$250,000 is for a grant to Independent School District No. 742, St. Cloud, for an emergency medical services education facility suitable for coursework in emergency medical services. For the project under this paragraph, eligible uses of grant funds include any design and construction costs and remodeling costs necessary to prepare the education facility in addition to the eligible uses under paragraph (d). Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the amount in this paragraph is available for grant administration.

(h) The base for fiscal year 2026 and later is \$500,000.

Sec. 8. Laws 2023, chapter 55, article 2, section 64, subdivision 2, as amended by Laws 2024, chapter 81, section 8, is amended to read:

Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	82,818,000	.....	2024
	84,739,000		
\$	<u>85,043,000</u>	.....	2025

(b) The 2024 appropriation includes \$8,172,000 for 2023 and \$74,646,000 for 2024.

(c) The 2025 appropriation includes \$8,294,000 for 2024 and ~~\$76,445,000~~ \$76,749,000 for 2025.

Sec. 9. Laws 2023, chapter 55, article 2, section 64, subdivision 14, is amended to read:

Subd. 14. **Ethnic studies school grants.** (a) For competitive grants to school districts and charter schools to develop, evaluate, and implement ethnic studies courses:

\$	700,000	.....	2024
\$	700,000	.....	2025

(b) The commissioner must consult with the Ethnic Studies Working Group to develop criteria for the grants.

(c) Up to five percent of the appropriation is available for grant administration.

(d) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 10. Laws 2023, chapter 55, article 2, section 64, subdivision 16, is amended to read:

Subd. 16. **Full-service community schools.** (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

\$	7,500,000	.....	2024
\$	7,500,000	.....	2025

(b) Of this amount, priority must be given to programs in the following order:

(1) current grant recipients issued under Minnesota Statutes, section 124D.231;

(2) schools identified as low-performing under the federal Every Student Succeeds Act; and

(3) any other applicants.

(c) Up to two percent of the appropriation is available for grant administration.

(d) The base for fiscal year 2026 and later is \$5,000,000.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 11. Laws 2023, chapter 55, article 2, section 64, subdivision 26, is amended to read:

Subd. 26. **Minnesota Council on Economic Education.** (a) For a grant to the Minnesota Council on Economic Education:

\$	200,000	.....	2024
\$	200,000	.....	2025

(b) The grant must be used to:

(1) provide professional development to kindergarten through grade 12 teachers implementing state graduation standards in learning areas related to economic education; and

(2) support the direct-to-student ancillary economic and personal finance programs that teachers supervise and coach.

(c) By February 15 of each year following the receipt of a grant, the Minnesota Council on Economic Education must report to the commissioner of education the number and type of in-person and online teacher professional development opportunities provided by the Minnesota Council on Economic Education or its affiliated state centers. The report must include a description of the content, length, and location of the programs; the number of preservice and licensed teachers receiving professional development through each of these opportunities; and summaries of evaluations of teacher professional opportunities.

~~(d) The Department of Education must pay the full amount of the grant to the Minnesota Council on Economic Education by August 15 of each fiscal year for which the grant is appropriated. The Minnesota Council on Economic Education must submit its fiscal reporting in the form and manner specified by the commissioner. The commissioner may request additional information as necessary.~~

(e) Any balance in the first year does not cancel but is available in the second year.

(f) The base for fiscal year 2026 and later is \$0.

Sec. 12. Laws 2023, chapter 55, article 2, section 64, subdivision 31, is amended to read:

Subd. 31. **Nonexclusionary discipline.** (a) For grants to school districts and charter schools to provide training for school staff on nonexclusionary disciplinary practices:

\$	1,750,000	.....	2024
\$	1,750,000	.....	2025

(b) Grants are to develop training and to work with schools to train staff on nonexclusionary disciplinary practices that maintain the respect, trust, and attention of students and help keep students in classrooms. These funds may also be used for grant administration.

(c) Eligible grantees include school districts, charter schools, intermediate school districts, and cooperative units as defined in section 123A.24, subdivision 2.

(d) Up to five percent of the appropriation is available for grant administration.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 13. Laws 2023, chapter 55, article 2, section 64, subdivision 33, is amended to read:

Subd. 33. **P-TECH schools.** (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

\$	791,000	.....	2024
\$	<u>791,000_0</u>	.....	2025

(b) The amounts in this subdivision are for grants, including to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) Any balance in the first year does not cancel but is available in the second year. This appropriation is available until June 30, 2025. The base for fiscal year 2026 and later is \$0.

(d) Up to five percent of the fiscal year 2024 appropriation is available for grant administration.

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

Sec. 14. **DIGITAL CITIZENSHIP, INTERNET SAFETY, AND MEDIA LITERACY ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** (a) The commissioner of education must establish and convene the 25-member Digital Citizenship, Internet Safety, and Media Literacy Advisory Council. The council must be composed of the following members:

(1) three licensed classroom teachers, one each from a district or charter school located in rural, urban, and suburban Minnesota;

(2) three licensed school media specialists, one each from a district or charter school located in rural, urban, and suburban Minnesota;

(3) three representatives from parent-teacher organizations, one each from a district or charter school located in rural, urban, and suburban Minnesota;

(4) four representatives from the Minnesota Regional Public Library Systems;

(5) two academic librarians;

(6) two people with expertise in digital citizenship;

(7) two people with expertise in Internet safety;

(8) two people with expertise in computer science education;

(9) two representatives from school districts with expertise in student information systems and the data privacy issues surrounding those systems; and

(10) two people with expertise in media literacy.

(b) Advisory council member compensation is determined under Minnesota Statutes, section 15.059.

Subd. 2. **Duties.** The advisory council must make recommendations to the commissioner of education regarding:

(1) best practices relating to instruction in digital citizenship, Internet safety, and media literacy; and

(2) methods of instructing students to safely, ethically, responsibly, and effectively use media and technology resources.

Subd. 3. **Report.** By January 14, 2026, the commissioner must report to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education. The report must include guidelines to assist stakeholders with instructional practices

and methods regarding digital citizenship, Internet safety, and media literacy under subdivision 2 and any draft legislation, if necessary.

Subd. 4. **Meetings.** The commissioner must convene the first meeting by April 1, 2025. At the first meeting, the members must select a chair or cochaIRS to convene and facilitate future advisory council meetings. The commissioner must provide administrative support to the advisory council.

Subd. 5. **Open meeting law.** Meetings of the advisory council are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 6. **Expiration.** The advisory council expires on January 15, 2026.

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

Sec. 15. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Civic education grants.** (a) For the Minnesota Civic Education Coalition for grants to Youth in Government, the Learning Law and Democracy Foundation, and the YMCA Center for Youth Voice to support civic education programs for youth age 18 and under to provide teacher professional development, educational resources, and program support:

§ 150,000 2025

(b) The programs must instruct students in:

(1) the constitutional principles and the democratic foundation of our national, state, and local institutions; and

(2) the political processes and structures of government, grounded in the understanding of constitutional government and individual rights.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the appropriation is available for grant administration.

(d) This is a onetime appropriation.

Subd. 3. **Digital Citizenship, Internet Safety, and Media Literacy Advisory Council.** (a) For administration and per diem compensation for members of the Digital Citizenship, Internet Safety, and Media Literacy Advisory Council:

§ 151,000 2025

(b) This is a onetime appropriation and is available until June 30, 2026.

Subd. 4. **Dyslexia Institute of Minnesota.** (a) For a grant to the Dyslexia Institute of Minnesota to provide free evidence-based literacy interventions to students who are reading below grade level and are enrolled in public schools where a majority of students are eligible for free or reduced-price meals:

\$ 450,000 2025

(b) Grant funds must be used to support tutor training and compensation, curricular materials, program delivery, and program administration.

(c) The Dyslexia Institute of Minnesota must provide a detailed report to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education and higher education by January 15, 2027. At a minimum, the report must include information on how the grant funds were used and describe how the grant-funded activities improved the literacy proficiency of participating students. The report must be filed according to Minnesota Statutes, section 3.195.

(d) This is a onetime appropriation and is available until June 30, 2026.

(e) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the department may retain up to three percent of this appropriation to administer the grant program.

Subd. 5. **Girl Scouts.** (a) For a grant to Girl Scouts River Valleys as fiscal agent for Girl Scouts councils' community engagement programs:

\$ 500,000 2025

(b) Grant funds must be used for community engagement programs for underserved communities and girls facing systemic barriers in education through innovative, culturally responsive programming for underrepresented, underresourced girls in kindergarten through grade 12, including programming relating to healthy relationships; science, technology, engineering, and math; financial literacy; college and career readiness; and leadership development and service learning.

(c) By February 1, 2026, the grantee must submit a report detailing expenditures and outcomes of the grant-supported programs to the commissioner of education and the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance. The report must include:

(1) self-reported demographic information for the participants in programs funded by the grant;

(2) the number and percentage of participants who self-report positive social and emotional health benefits as a result of participating in the program; and

(3) self-reported data on the number of participants who believe they will graduate from high school and enroll in postsecondary education or career training.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the appropriation is available for grant administration.

(e) This is a onetime appropriation.

Subd. 6. **Minnesota Alliance With Youth.** (a) For a grant to the Minnesota Alliance With Youth to improve student attendance and academic engagement provided through the Promise Fellow program:

\$ 625,000 2025

(b) The Promise Fellow program must form partnerships with AmeriCorps members, individual schools, school districts, charter schools, and community organizations to provide attendance and academic engagement intervention services. Services may include family and caregiver outreach and engagement, academic support, connection to out-of-school activities and resources, and individual and small group mentoring designed to help students return to and maintain consistent school attendance.

(c) The Minnesota Alliance With Youth must promote Promise Fellow program opportunities throughout the state.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the appropriation is available for grant administration.

(e) This is a onetime appropriation.

Subd. 7. **Minnesota Youth Council.** (a) For a grant to the Minnesota Alliance With Youth for the activities of the Minnesota Youth Council:

\$ 375,000 2025

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the appropriation is available for grant administration.

(c) This is a onetime appropriation.

Subd. 8. **P-TECH schools.** (a) For P-TECH implementation grants under Minnesota Statutes, section 124D.093, subdivision 5:

\$ 791,000 2025

(b) Of the amount in paragraph (a), at least \$500,000 is for a grant to a public-private partnership that includes Independent School District No. 535, Rochester. The department may award start-up grants and mentoring and technical assistance grants.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the department may retain money from this appropriation for administrative costs under Minnesota Statutes, section 124D.093, subdivision 5.

(d) This appropriation is available until June 30, 2027.

(e) The base for fiscal year 2026 is \$791,000, of which at least \$250,000 is for a support grant to a public-private partnership that includes Independent School District No. 535, Rochester. The base for fiscal year 2027 and later is \$791,000, of which at least \$50,000 is for a mentorship and technical assistance grant to a public-private partnership that includes Independent School District No. 535, Rochester.

Subd. 9. **Student connections pilot program.** (a) For a pilot program to help connect students to their schools and improve student attendance:

\$ 5,000,000 2025

(b) A school district, charter school, intermediate district, or other cooperative unit may apply to the commissioner of education in the form and manner determined by the commissioner for participation in the student connections pilot program. A school district, charter school, intermediate district, or cooperative unit may individually or jointly apply for participation in the pilot program. To the extent practicable, the commissioner must select pilot program participants representing urban, suburban, and rural schools. In selecting pilot program participants, the commissioner must give priority to applicants who demonstrate low consistent student attendance among enrolled students according to the most recent North Star Accountability data or according to another reliable data source selected by the commissioner.

(c) The commissioner of education may award a student connections grant to each pilot program participant. The grant may not exceed \$250,000 per individual or joint applicant.

(d) A student connections grant under this subdivision must be used for programs that build connections to students and encourage regular school attendance. A school may provide a program with its own staff or a school may contract for services. Student connections program activities may include individualized contact through phone, texting, and home visits. To the extent possible, a program must include preventive measures, build student skills and capacity to remain in school, use existing school and community resources, and focus on the individual needs of each student.

(e) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may retain up to \$150,000 to administer the pilot program and grants.

(f) On or before January 15 in each of calendar years 2026, 2027, and 2028, the commissioner of education must deliver a report on the pilot program to the chairs and ranking minority members of the legislative committees with jurisdiction over prekindergarten through grade 12 education finance and policy. Each report must include information on the progress of the pilot program and the programmatic activities and student attendance outcomes among the pilot program participants, including any successful strategies implemented by participants. The report must be filed according to Minnesota Statutes, section 3.195.

(g) This is a onetime appropriation.

(h) This appropriation does not cancel but is available until June 30, 2027.

Subd. 10. **Writing skills.** (a) For a grant to 826 MSP:

<u>\$</u>	<u>300,000</u>	<u>.....</u>	<u>2025</u>
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(b) The grant recipient must use grant funds for programs for students from low-income families and students of color in the Twin Cities that strengthen students' literacy skills, increase student engagement, and develop student leadership. Grant funds may be used to:

(1) provide all-day, in-school academic support and tutoring throughout the school year;

(2) provide year-round, out-of-school writing, publishing, and leadership activities;

(3) enhance career exploration opportunities, including exposure to literary arts and creative industries; and

(4) support families' literacy development through family literacy activities.

(c) A grant applicant must submit to the commissioner of education a description of the program's goals and strategies consistent with the evidence-based grant requirements of Minnesota Statutes, section 127A.20. The grant recipient must submit a preliminary report on the program's status on January 15, 2025, and submit a final report consistent with Minnesota Statutes, section 127A.20.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the department may retain up to five percent of the appropriation amount to monitor and administer the grant program.

(e) This appropriation is available until June 30, 2026. This is a onetime appropriation.

ARTICLE 3

READ ACT

Section 1. Minnesota Statutes 2023 Supplement, section 120B.123, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) By July 1, 2023, the department must make available to districts a list of approved evidence-based screeners in accordance with section 120B.12. A district must use an approved screener to assess students' mastery of foundational reading skills in accordance with section 120B.12.

(b) The Department of Education must partner with CAREI as required under section 120B.124 to approve professional development programs, subject to final determination by the department. After the implementation partnership under section 120B.124 ends, the department must continue to regularly provide districts with information about professional development opportunities available throughout the state on reading instruction that is evidence-based.

(c) The department must identify training required for a literacy lead and literacy specialist employed by a district or Minnesota service cooperatives.

(d) The department must employ a literacy specialist to provide support to districts implementing the Read Act and coordinate duties assigned to the department under the Read Act. The literacy specialist must work on state efforts to improve literacy tracking and implementation.

(e) The department must develop a template for a local literacy plan in accordance with section 120B.12, subdivision 4a.

(f) The department must partner with CAREI as required under section 120B.124 to approve literacy intervention models, subject to final determination by the department. The department must make a list of the approved intervention models available to districts, and make available to districts a list of at least 15 approved evidence-based literacy intervention models by November 1, 2025. The department may make the list of approved intervention models available as each program is approved.

(g) The department must provide ongoing coaching and support to certified trained facilitators.

(h) The department must collaborate with the publishers of curriculum and intervention models approved by the department and CAREI to update the curriculum and materials to meet the culturally responsive standard under section 120B.124, subdivision 1, and reflect students with disabilities.

Sec. 2. Minnesota Statutes 2023 Supplement, section 120B.124, subdivision 1, is amended to read:

Subdivision 1. **Resources.** (a) The Department of Education must partner with CAREI for two years beginning July 1, 2023, until August 30, 2025, to support implementation of the Read Act. The department and CAREI must jointly:

(1) identify at least five literacy curricula and supporting materials that are evidence-based or focused on structured literacy by January 1, 2024, and post a list of the curricula on the department website. The list must only include curricula that use culturally and linguistically responsive materials that reflect diverse populations and, ~~to the extent practicable,~~ curricula that reflect the experiences of students from diverse backgrounds, including multilingual learners, biliterate students, and students who are Black, Indigenous, and People of Color. A district is not required to use an approved curriculum, unless the curriculum was purchased with state funds that require a curriculum to be selected from a list of approved curricula;

(2) identify at least three professional development programs that focus on the five pillars of literacy and the components of structured literacy by August 15, 2023, subject to final approval by the department. The department must post a list of the programs on the department website. The programs may include a program offered by CAREI. The requirements of section 16C.08 do not apply to the selection of a provider under this section;

(3) identify evidence-based literacy intervention materials for students in kindergarten through grade 12;

(4) develop an evidence-based literacy lead training program that trains literacy specialists throughout Minnesota to support schools' efforts in screening, measuring growth, monitoring progress, and implementing interventions in accordance with subdivision 1;

(5) identify measures of foundational literacy skills and mastery that a district must report on a local literacy plan;

(6) provide guidance to districts about best practices in literacy instruction, and practices that are not evidence-based;

(7) develop MTSS model plans that districts may adopt to support efforts to screen, identify, intervene, and monitor the progress of students not reading at grade level; ~~and~~

(8) ensure that teacher professional development options and MTSS framework trainings are geographically equitable by supporting trainings through the regional service cooperatives;

(9) develop a coaching and mentorship program for certified trained facilitators; and

(10) identify at least 15 evidence-based literacy intervention models by November 1, 2025, and post a list of the interventions on the department website. A district is not required to use an approved

intervention model, unless the intervention model was purchased with state funds that require an intervention model to be selected from a list of approved models.

(b) The department must contract to develop culturally and linguistically responsive supplemental materials and guidance for the approved literacy curricula to meet the culturally and linguistically responsive standard in paragraph (a), clause (1).

(c) The department and CAREI may partner to revise the list of culturally and linguistically responsive curriculum and supporting materials that are evidence-based or that are focused on structured literacy, starting in 2033.

Sec. 3. Minnesota Statutes 2023 Supplement, section 120B.124, subdivision 2, is amended to read:

Subd. 2. **Reconsideration.** (a) The department and CAREI must provide districts an opportunity to request that the department and CAREI add to the list of curricula or professional development programs a specific curriculum or professional development program. The department must publish the request for reconsideration procedure on the department website. A request for reconsideration must demonstrate that the curriculum or professional development program meets the requirements of the Read Act, is evidence-based, and has structured literacy components; ~~or that the screener accurately measures literacy growth, monitors progress, and accurately assesses effective reading, including phonemic awareness, phonics, fluency, vocabulary, and comprehension.~~ The department and CAREI must review the request for reconsideration and approve or deny the request within 60 days.

(b) The department and CAREI must conduct a final curriculum review by March 3, 2025, to review curriculum that is available to districts at no cost.

Sec. 4. Minnesota Statutes 2023 Supplement, section 124D.98, subdivision 5, is amended to read:

Subd. 5. **Literacy incentive aid uses.** A school district must use its literacy incentive aid to support implementation of evidence-based reading instruction. The following are eligible uses of literacy incentive aid:

(1) training for kindergarten through grade 3 teachers, early childhood educators, special education teachers, reading intervention teachers working with students in kindergarten through grade 12, curriculum directors, and instructional support staff that provide reading instruction, on using evidence-based screening and progress monitoring tools;

(2) evidence-based training using a training program approved by the Department of Education under the Read Act;

(3) employing or contracting with a literacy lead, as defined in section ~~120B.118~~ 120B.119;

(4) employing an intervention specialist;

~~(4)~~ (5) screeners, materials, training, and ongoing coaching to ensure reading interventions under section 125A.56, subdivision 1, are evidence-based; and

~~(5)~~ (6) costs of substitute teachers to allow teachers to complete required training during the teachers' contract day; and

(7) stipends for teachers completing training required under section 120B.12.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 5. Laws 2023, chapter 55, article 3, section 11, subdivision 3, is amended to read:

Subd. 3. **Read Act curriculum and intervention materials reimbursement literacy aid.** (a) ~~To reimburse~~ For state aid for school districts, charter schools, and cooperative units for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy:

\$ 35,000,000 2024

~~(b) The commissioner must use this appropriation to reimburse school districts, charter schools, and cooperatives for approved evidence-based structured literacy curriculum and supporting materials, and intervention materials purchased after July 1, 2021. An applicant must apply for the reimbursement in the form and manner determined by the commissioner. The aid amount for each school district, charter school, and cooperative unit providing direct instructional services equals the greater of \$2,000 or \$39.91 times the number of students served by the school district, charter school, or cooperative as determined by the fall 2023 enrollment count of students.~~

~~(c) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the districts, charter schools, and cooperative units that receive literacy grants and the amounts of each grant, by January 15, 2025, according to Minnesota Statutes, section 3.195. A school district, charter school, or cooperative unit must place any aid received under this subdivision in a reserved account in the general fund. Aid in the reserved account may only be used for literacy interventions authorized under the Read Act or for literacy incentive aid uses under Minnesota Statutes, section 124D.98, subdivision 5.~~

~~(d) A school district, charter school, or cooperative unit must purchase curriculum and instructional materials that reflect diverse populations.~~

~~(e)~~ Of this amount, up to \$250,000 is available for ~~grant~~ administration.

~~(f)~~ (e) This appropriation does not cancel but is available until June 30, 2025. This is a onetime appropriation and is available until June 30, 2028.

(f) This aid is 100 percent payable in fiscal year 2025.

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

Sec. 6. Laws 2023, chapter 55, article 3, section 11, subdivision 4, is amended to read:

Subd. 4. **Read Act professional development.** (a) For evidence-based training on structured literacy for teachers working in school districts, charter schools, and cooperatives:

\$ 34,950,000 2024

\$ 0 7,000,000 2025

(b) Of the amount in paragraph (a), \$18,000,000 in fiscal year 2024 is for the Department of Education and the regional literacy networks and \$16,700,000 in fiscal year 2024 and \$7,000,000 in fiscal year 2025 is for statewide training. The department must use the funding to develop a data collection system to collect and analyze the submission of the local literacy plans and student-level universal screening data, to establish the regional literacy networks as a partnership between the department and the Minnesota service cooperatives, and to administer statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional literacy networks and the department. The regional literacy networks must focus on implementing comprehensive literacy reform efforts based on structured literacy. Each regional literacy network must add a literacy lead position and establish a team of trained literacy coaches to facilitate evidence-based structured literacy training opportunities and ongoing supports to school districts and charter schools in each of their regions. Funds appropriated under this subdivision may also be used to provide training in structured literacy to fourth and fifth grade classroom teachers.

(c) Of the amount in paragraph (a), \$250,000 in fiscal year 2024 only is for administration.

(d) If funds remain unspent on July 1, 2026, the commissioner must expand eligibility for approved training to include principals and other district, charter school, or cooperative administrators.

(e) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved structured literacy training using funds under this subdivision, and the amounts awarded to districts, charter schools, or cooperatives.

(f) The regional literacy networks and staff at the Department of Education must provide ongoing support to school districts, charter schools, and cooperatives implementing evidence-based literacy instruction.

(g) This appropriation is available until June 30, 2028. The base for fiscal year 2026 and later is \$7,750,000, of which \$6,500,000 is for the regional literacy networks and \$1,250,000 is for statewide training.

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

Sec. 7. PELS B READING AUDIT REPORT.

(a) The Professional Educator Licensing and Standards Board must conduct an audit that evaluates whether and how approved teacher training programs for candidates for the following licensure areas meet subject matter standards for reading:

(1) early childhood education in accordance with Minnesota Rules, part 8710.3000;

(2) elementary education in accordance with Minnesota Rules, part 8710.3200; and

(3) special education in accordance with Minnesota Rules, part 8710.5000.

(b) The board must submit an initial report with its findings to the legislative committees with jurisdiction over kindergarten through grade 12 and higher education by January 15, 2025, and a final report by August 1, 2026. Each report must:

(1) identify the reading standards for each licensure area, identify how they are aligned to the requirements of the Read Act, including requirements on evidence-based instruction, phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension, and to the requirements of Minnesota Statutes, section 122A.092, subdivision 5;

(2) describe how the board conducted the audit;

(3) identify the results of the audit; and

(4) summarize the program effectiveness reports for continuing approval related to reading standards reviewed by the board, including the board determinations under Minnesota Rules, part 8705.2200.

Sec. 8. READ ACT DEAF, DEAFBLIND, AND HARD OF HEARING WORKING GROUP.

Subdivision 1. Working group purpose. The Department of Education must establish a working group to make recommendations on literacy training, screeners, and curriculum for students who cannot fully access sound-based approaches such as phonics.

Subd. 2. Members. The Department of Education must appoint representatives from the Center for Applied Research and Educational Improvement at the University of Minnesota; the Minnesota Commission of the Deaf, Deafblind and Hard of Hearing; the Minnesota State Academies; Metro Deaf School; intermediate school districts; regional low-incidence facilitators; a Deaf and Hard of Hearing teacher licensure preparation program in Minnesota approved by the Professional Educator Licensing and Standards Board; and teachers of students who are deaf, deafblind, or hard of hearing.

Subd. 3. Report. The working group must review curriculum, screeners, and training approved under the Read Act and make recommendations for adapting curriculum, screeners, and training available to districts, charter schools, teachers, and administrators to meet the needs of students and educators who cannot fully access sound-based approaches. The report must address how approved curriculum, screeners, and training may be modified and identify resources for alternatives to sound-based approaches. The working group must post its report on the Department of Education website, and submit the report to the legislative committees with jurisdiction over kindergarten through grade 12 education no later than January 15, 2025.

Subd. 4. Administrative provisions. (a) The commissioner, or the commissioner's designee, must convene the initial meeting of the working group. At the first meeting, the department must provide members of the working group information on structured literacy and the curriculum, screeners, and training approved under the Read Act.

(b) Members of the working group are eligible for per diem compensation as provided under Minnesota Statutes, section 15.059, subdivision 3. The working group expires January 16, 2025, or upon submission of the report to the legislature under subdivision 3, whichever is earlier.

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

Sec. 9. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education in the fiscal years designated.

Subd. 2. **Read Act substitute teacher and teacher stipend reimbursements.** (a) For payments to school districts, charter schools, and cooperative units for substitute teachers and teacher stipends related to Read Act implementation:

\$ 23,800,000 2025

(b) To be eligible for payment under this subdivision, a school district, charter school, or cooperative unit must apply in the form and manner determined by the commissioner for reimbursement for: (1) substitute teachers to enable teachers to complete required training during the school day, unless the teachers are compensated for time outside the school day to complete the training, and (2) stipends to teachers who complete an evidence-based professional development program approved under Minnesota Statutes, section 120B.124. To be eligible for the stipend, a teacher must have a license to teach in Minnesota; work for a school district, charter school, or cooperative; and complete an approved professional development program between July 1, 2024, and July 1, 2027. If the appropriation is insufficient, the commissioner must prorate the amounts to applicants seeking payment.

(c) This is a onetime appropriation. This appropriation is available until June 30, 2028.

Subd. 3. **Read Act deaf, deafblind, and hard of hearing working group.** (a) For administration and per diem compensation for members of the Read Act deaf, deafblind, and hard of hearing working group:

\$ 100,000 2025

(b) This is a onetime appropriation.

Subd. 4. **Supplemental culturally responsive materials.** (a) For a contract to develop supplemental culturally responsive materials for evidence-based structured literacy curriculum:

\$ 1,000,000 2025

(b) The commissioner must issue a request for proposals for a contract to develop supplemental culturally responsive materials for the approved evidence-based structured literacy curriculum under Minnesota Statutes, section 120B.124, subdivision 1, clause (1). Upon completion, the commissioner must make the supplemental culturally responsive materials available at no cost to districts.

(c) This is a onetime appropriation. This appropriation is available until June 30, 2026.

Subd. 5. **Read Act paraprofessional training.** (a) To provide structured literacy instruction training to paraprofessionals:

\$ 500,000 2025

(b) The department must partner with the Regional Centers of Excellence to provide training for paraprofessionals that assist in providing Tier 2 literacy interventions to students in Minnesota school districts on the key components of structured literacy instruction and interventions by June 10, 2025. The training must be eight hours long.

(c) This is a onetime appropriation.

Subd. 6. Evidence-based reading instruction training reimbursement. (a) To reimburse teachers for evidence-based reading instruction training:

§ 1,500,000 2025

(b) A teacher who is currently teaching in a Minnesota school district, charter school, or cooperative unit must apply in the form and manner determined by the commissioner to be eligible to receive reimbursement for the actual cost the applicant paid for an evidence-based reading instruction training, including tuition, books, and other instructional materials. The commissioner must establish procedures to ensure that the costs reimbursed under this section have not been reimbursed by the applicant's employer or another source. If the appropriation is insufficient, the commissioner must prorate the amount paid to applicants seeking reimbursement.

(c) An eligible evidence-based reading instruction training is an approved professional development program identified under Minnesota Statutes, section 120B.124, subdivision 1, paragraph (a), clause (2), that was completed by the applicant between January 1, 2020, and June 30, 2023.

(d) This is a onetime appropriation.

ARTICLE 4

TEACHERS

Section 1. Minnesota Statutes 2022, section 120B.363, subdivision 1, is amended to read:

Subdivision 1. **Rulemaking.** (a) The Professional Educator Licensing and Standards Board must adopt rules to implement a statewide credential for education paraprofessionals who assist a licensed teacher in providing student instruction. Any paraprofessional holding this credential or working in a local school district after meeting a state-approved local assessment is considered to be highly qualified under federal law. Under this subdivision, the Professional Educator Licensing and Standards Board, in consultation with the commissioner, must adopt qualitative criteria for approving local assessments that include an evaluation of a paraprofessional's knowledge of reading, writing, and math and the paraprofessional's ability to assist in the instruction of reading, writing, and math. The commissioner must approve or disapprove local assessments using these criteria. The commissioner must make the criteria available to the public.

(b) By September 1, 2024, the commissioner must establish qualifying scores for each of the assessments approved under paragraph (a) that result in first-time passage rates for individuals in all racial and ethnic groups of at least 95 percent.

Sec. 2. Minnesota Statutes 2023 Supplement, section 122A.415, subdivision 4, is amended to read:

Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for a charter school with a plan approved under section 122A.414,

subdivisions 2a and 2b, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$88,118,000 for fiscal year 2023; \$88,461,000 for fiscal year 2024; ~~\$88,461,000~~ \$88,961,000 for fiscal year 2025; and \$89,486,000 for fiscal year 2026 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 3. Minnesota Statutes 2022, section 122A.415, is amended by adding a subdivision to read:

Subd. 7. Revenue reserved. Revenue under this section must be reserved and used only for the programs authorized under section 122A.414.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 4. Minnesota Statutes 2023 Supplement, section 122A.73, subdivision 2, is amended to read:

Subd. 2. Grow Your Own district programs. (a) A school district, charter school, Tribal contract school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant for a teacher preparation program that meets the requirements of paragraph (c) to establish a Grow Your Own pathway for adults to obtain their first professional teaching license. The grant recipient must use at least 80 percent of grant funds to provide tuition scholarships or stipends to enable school district grant recipient employees or community members affiliated with a school district grant recipient, who are of color or American Indian and who seek a teaching license, to participate in the teacher preparation program. Grant funds may also be used to pay for teacher licensure exams and licensure fees.

(b) A district using grant funds under this subdivision to provide financial support to teacher candidates may require a commitment as determined by the district to teach in the district school district, charter school, Tribal contract school, or cooperative unit for a reasonable amount of time that does not exceed five years.

(c) A grantee must partner with:

(1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;

(2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or

(3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

Sec. 5. Minnesota Statutes 2023 Supplement, section 122A.73, subdivision 3, is amended to read:

Subd. 3. **Grants for programs serving secondary school students.** (a) A school district, ~~or~~ charter school, Tribal contract school, or cooperative unit may apply for grants under this section to offer other innovative programs that encourage secondary school students, especially students of color and American Indian students, to pursue teaching. To be eligible for a grant under this subdivision, an applicant must ensure that the aggregate percentage of secondary school students of color and American Indian students participating in the program is equal to or greater than the aggregate percentage of students of color and American Indian students in the school district, charter school, Tribal contract school, or cooperative unit.

(b) A grant recipient must use grant funds awarded under this subdivision for:

(1) supporting future teacher clubs or service-learning opportunities that provide middle and high school students with experiential learning that supports the success of younger students or peers and increases students' interest in pursuing a teaching career;

(2) developing and offering postsecondary enrollment options for "Introduction to Teaching" or "Introduction to Education" courses consistent with section 124D.09, subdivision 10, that meet degree requirements for teacher licensure;

(3) providing direct support, including wrap-around services, for students who are of color or American Indian to enroll and be successful in postsecondary enrollment options courses under section 124D.09 that would meet degree requirements for teacher licensure; or

(4) offering scholarships to graduating high school students who are of color or American Indian to enroll in board-approved undergraduate teacher preparation programs at a college or university in Minnesota or in an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

(c) The maximum grant award under this subdivision is \$500,000. The commissioner may consider the number of participants a grant recipient intends to support when determining a grant amount.

Sec. 6. Minnesota Statutes 2022, section 122A.73, subdivision 4, is amended to read:

Subd. 4. **Grant procedure.** (a) ~~A district~~ An applicant must apply for a grant under this section in the form and manner specified by the commissioner. The commissioner must give priority to ~~districts~~ applicants with the highest total number or percentage of students who are of color or

American Indian. To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between ~~districts~~ applicants in greater Minnesota and those in the Twin Cities metropolitan area.

(b) ~~For the 2022-2023 school year and later,~~ Grant applications for new and existing programs must be received by the commissioner no later than January 15 of the year prior to the school year in which the grant will be used. The commissioner must review all applications and notify grant recipients by March 15 or as soon as practicable of the anticipated amount awarded. If the commissioner determines that sufficient funding is unavailable for the grants, the commissioner must notify grant applicants by June 30 or as soon as practicable that there are insufficient funds.

(c) ~~For the 2021-2022 school year, the commissioner must set a timetable for awarding grants as soon as practicable~~ The commissioner may allow existing grantees to revise their grant agreements to operate under the current statutory program requirements of this section if the requirements differ from those in place at the time of the original grant agreement.

Sec. 7. Minnesota Statutes 2023 Supplement, section 122A.77, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner of education must administer a grant program to develop a pipeline of trained, licensed Tier 3 or Tier 4 special education teachers. A school district, charter school, Tribal contract school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant under this section. An applicant must partner with:

- (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;
- (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not-for-profit, institution of higher education; or
- (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

Sec. 8. Minnesota Statutes 2023 Supplement, section 122A.77, subdivision 2, is amended to read:

Subd. 2. **Grant uses.** (a) A grant recipient must use grant funds to support participants who are employed by the grant recipient ~~as either a paraprofessional or other unlicensed staff, or a teacher with a Tier 1 or Tier 2 license~~ or are community members affiliated with the grant recipient, and who demonstrate a willingness to be a special education teacher after completing the program.

(b) A grant recipient may use grant funds for:

- (1) tuition assistance or stipends for participants;
- (2) supports for participants, including mentoring, licensure test preparation, and technology support; or
- (3) participant recruitment.

Sec. 9. Minnesota Statutes 2023 Supplement, section 122A.77, subdivision 3, is amended to read:

Subd. 3. **Grant procedure.** (a) Applicants must apply for a grant under this section in the form and manner specified by the commissioner.

(b) In awarding grants, the commissioner must prioritize funding for training to allow participants holding a Tier 1 or Tier 2 special education license to obtain a Tier 3 special education license.

(c) To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between applicants in greater Minnesota and applicants in the metropolitan area.

(d) The commissioner may allow existing grantees to revise their grant agreements to operate under the current statutory program requirements of this section if the requirements differ from those in place at the time of the original grant agreement.

Sec. 10. **[123B.155] PAID LEAVE FOR SCHOOL CLOSURES.**

A school district or charter school that alters its calendar due to a weather event, public health emergency, or any other circumstance must continue to pay the full wages for scheduled work hours and benefits of all school employees for full or partial day closures, if the district or charter school counts that day as an instructional day for any students in the district or charter school. School employees may be allowed to work from home to the extent practicable. Paid leave for an e-learning day is provided under section 120A.414, subdivision 6.

EFFECTIVE DATE. This section is effective for the 2024-2025 school year and later.

Sec. 11. Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 1, is amended to read:

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

(1) "new position" means a student support services personnel full-time or part-time position not under contract by a school district, charter school, or cooperative unit at the start of the 2022-2023 school year;

(2) "part-time position" means a student support services personnel position less than 1.0 full-time equivalent at the start of the 2022-2023 school year;

(3) "American Rescue Plan Act" means the federal American Rescue Plan Act of 2021, Public Law 117-2, that awarded funds; and

(4) "student support services personnel" means:

(i) an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota; or

(ii) an individual not included in item (i) whose work duties primarily consist of activities that reduce chronic student absenteeism.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 12. Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 2, is amended to read:

Subd. 2. **Purpose.** The purpose of student support personnel aid is to:

- (1) address shortages of student support services personnel within Minnesota schools;
- (2) decrease caseloads for existing student support services personnel to ensure effective services;
- (3) ensure that students receive effective student support services and integrated and comprehensive services to improve prekindergarten through grade 12 academic, physical, social, and emotional outcomes supporting career and college readiness and effective school mental health services;
- (4) ensure that student support services personnel serve within the scope and practice of their training and licensure;
- (5) fully integrate learning supports, instruction, assessment, data-based decision making, and family and community engagement within a comprehensive approach that facilitates interdisciplinary collaboration; and
- (6) improve student attendance, health, school safety, and school climate to support academic success and career and college readiness.

Sec. 13. Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 3, is amended to read:

Subd. 3. **Student support personnel aid.** (a) The initial student support personnel aid for a school district equals the greater of the student support personnel allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. The initial student support personnel aid for a charter school equals the greater of the student support personnel allowance times the adjusted pupil units at the charter school for the current fiscal year or \$20,000. Aid under this paragraph must be reserved in a fund balance that, beginning in fiscal year 2025, may not exceed the greater of the aid entitlement in the prior fiscal year or the fund balance in the prior fiscal year.

(b) The cooperative student support personnel aid for a school district that is a member of an intermediate school district or other cooperative unit that serves students equals the greater of the cooperative student support allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. If a district is a member of more than one cooperative unit that serves students, the revenue must be allocated among the cooperative units. Aid under this paragraph must not exceed actual expenditures.

(c) The student support personnel allowance equals \$11.94 for fiscal year 2024, \$17.08 for fiscal year 2025, and \$48.73 for fiscal year 2026 and later.

(d) The cooperative student support allowance equals \$0.60 for fiscal year 2024, \$0.85 for fiscal year 2025, and \$2.44 for fiscal year 2026 and later.

~~(e) Notwithstanding paragraphs (a) and (b), the student support personnel aid must not exceed the district's, charter school's, or cooperative unit's actual expenditures.~~

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 14. Laws 2023, chapter 55, article 5, section 64, subdivision 3, as amended by Laws 2024, chapter 81, section 14, is amended to read:

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	\$88,706,000	.....	2024
	\$88,562,000		
\$	<u>89,012,000</u>	.....	2025

(b) The 2024 appropriation includes \$8,824,000 for fiscal year 2023 and \$79,882,000 for fiscal year 2024.

(c) The 2025 appropriation includes \$8,875,000 for fiscal year 2024 and ~~\$79,687,000~~ \$80,137,000 for fiscal year 2025.

Sec. 15. Laws 2023, chapter 55, article 5, section 64, subdivision 5, is amended to read:

Subd. 5. **Closing educational opportunity gaps grants.** (a) To support schools in their efforts to close opportunity gaps under Minnesota Statutes, section 120B.113:

\$	3,000,000	.....	2024
\$	3,000,000	.....	2025

(b) The department may retain up to five percent of this appropriation to administer the grant program.

(c) The base for fiscal year 2026 and later is \$0.

(d) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 16. Laws 2023, chapter 55, article 5, section 64, subdivision 13, is amended to read:

Subd. 13. **Statewide teacher mentoring program.** (a) For a statewide teacher induction and mentoring program:

\$	9,940,000	.....	2024
\$	0	.....	2025

(b) Funds may be used for:

(1) competitive grants to Minnesota regional partners, including institutions of higher education, regional service cooperatives, other district or charter collaboratives, and professional organizations, to provide mentoring supports for new teachers, on-the-ground training, technical assistance, and networks or communities of practice for local new teachers, districts, and charter schools to implement Minnesota's induction model;

(2) competitive grants to school districts to fund ~~Teacher of Record~~ mentorships to Tier 1 and Tier 2 special education teachers, including training and supervision; and

(3) contracts with national content experts and research collaboratives to assist in developing Minnesota's induction model, to provide ongoing training to mentors and principals, and to evaluate the program over time.

(c) Up to five percent of the appropriation is available for grant administration.

(d) This is a onetime appropriation and is available until June 30, 2027.

Sec. 17. Laws 2023, chapter 55, article 5, section 64, subdivision 15, is amended to read:

Subd. 15. **Student support personnel workforce pipeline.** (a) For a grant program to develop a student support personnel workforce pipeline focused on increasing school psychologists, school nurses, school counselors, and school social workers of color and Indigenous providers, professional respecialization, recruitment, and retention:

\$	5,000,000	.....	2024
\$	5,000,000	.....	2025

(b) Of the amount in paragraph (a), \$150,000 is for providing support to school nurses across the state.

(c) To the extent practicable, the pipeline grants must be used to support equal numbers of students pursuing careers as school psychologists, school nurses, school counselors, and school social workers.

(d) For grants awarded under this subdivision to school psychologists, the following terms have the meanings given:

(1) "eligible designated trainee" means an individual enrolled in a NASP-approved or APA-accredited school psychology program granting educational specialist certificates or doctoral degrees in school psychology;

(2) "practica" means an educational experience administered and evaluated by the graduate training program, with university and site supervision by appropriately credentialed school psychologists, to develop trainees' competencies to provide school psychological services based on the graduate program's goals and competencies relative to accreditation and licensure requirements; and

(3) "eligible employment" means a paid position within a school or local education agency directly related to the training program providing direct or indirect school psychology services. Direct services include assessment, intervention, prevention, or consultation services to students or

their family members and educational staff. Indirect services include supervision, research and evaluation, administration, program development, technical assistance, or professional learning to support direct services.

(e) Grants awarded to school psychologists must be used for:

(1) the provision of paid, supervised, and educationally meaningful practica in a public school setting for an eligible designated trainee enrolled in a qualifying program within the grantee's institution;

(2) to support student recruitment and retention to enroll and hire an eligible designated trainee for paid practica in public school settings; and

(3) oversight of trainee practica and professional development by the qualifying institution to ensure the qualifications and conduct by an eligible designated trainee meet requirements set forth by the state and accrediting agencies.

(f) Upon successful completion of the graduate training program, grants awarded to school psychologists must maintain eligible employment within Minnesota for a minimum period of one-year full-time equivalent for each academic year of paid traineeship under the grant program.

(g) Up to \$150,000 of the appropriation is available for grant administration.

(h) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 18. Laws 2023, chapter 55, article 5, section 64, subdivision 16, is amended to read:

Subd. 16. **Teacher residency program.** (a) For the teacher residency program that meets the requirements of Minnesota Rules, part 8705.2100, subpart 2, item D, subitem (5), unit (g):

\$	3,000,000	.....	2024
\$	3,000,000	.....	2025

(b) Up to three percent of the appropriation is available for grant administration.

(c) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

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

Sec. 19. Laws 2023, chapter 55, article 5, section 65, subdivision 3, is amended to read:

Subd. 3. **Collaborative urban and greater Minnesota educators of color grants.** (a) For collaborative urban and greater Minnesota educators of color competitive grants under Minnesota Statutes, section 122A.635:

\$	5,440,000	.....	2024
	5,440,000		
\$	<u>6,440,000</u>	.....	2025

(b) The board may retain up to \$100,000 of the appropriation amount to monitor and administer the grant program.

(c) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

(d) The base for fiscal year 2026 and later is \$5,440,000.

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

Sec. 20. Laws 2023, chapter 55, article 5, section 65, subdivision 6, is amended to read:

Subd. 6. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

\$	3,500,000	.....	2024
	3,500,000		
\$	<u>8,500,000</u>	.....	2025

(b) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

(c) The base for grants under Minnesota Statutes, section 122A.70, for fiscal year 2026 and later is \$4,500,000, of which at least \$3,500,000 each fiscal year is for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The board may retain up to three percent of the appropriation amount to monitor and administer the grant program.

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

Sec. 21. Laws 2023, chapter 55, article 5, section 65, subdivision 7, is amended to read:

Subd. 7. **Pathway preparation grants.** (a) For grants to support teachers holding a Tier 1 or Tier 2 license and seeking a Tier 3 or Tier 4 license:

\$	400,000	.....	2024
\$	400,000	.....	2025

(b) The following are eligible for grants under this subdivision:

(1) school districts;

(2) charter schools;

(3) service cooperatives; and

(4) partnerships between one or more teacher preparation providers, school districts, or charter schools.

(c) Grant funds must be used to support teachers holding a Tier 1 or Tier 2 license and seeking a Tier 3 or Tier 4 license through completion of a teacher preparation program or the licensure via portfolio process. A grant recipient must provide teachers holding a Tier 1 or Tier 2 license with professional development, mentorship, and coursework aligned to state standards for teacher licensure.

(d) The Professional Educator Licensing and Standards Board may collaborate with the Department of Education and the Office of Higher Education to administer the grant program.

(e) The board may retain up to three percent of the appropriation amount to monitor and administer the grant.

Sec. 22. TEACHER AND PARAPROFESSIONAL COMPENSATION WORKING GROUP.

Subdivision 1. Establishment; membership. (a) The Teacher and Paraprofessional Compensation Working Group is established and consists of the following 22 members:

- (1) one prekindergarten teacher;
- (2) one elementary school teacher;
- (3) one middle school teacher;
- (4) one high school teacher;
- (5) one physical education teacher;
- (6) one vocal music or instrumental music teacher;
- (7) one visual arts teacher;
- (8) one library media specialist;
- (9) one community education teacher;
- (10) one teacher teaching in an alternative setting;
- (11) one member working in a school setting with children from birth to age three;
- (12) one special education teacher;
- (13) four paraprofessionals working with elementary, middle, or high school students;
- (14) two superintendents;
- (15) one community education director;
- (16) two school finance directors; and
- (17) one member with expertise in school board governance.

(b) The members under paragraph (a), clauses (1) to (13), must be appointed by the Professional Educator Licensing and Standards Board. The members under paragraph (a), clauses (14) to (16), must be appointed by the Minnesota Board of School Administrators. The members under paragraph (a), clause (17), must be appointed by the Minnesota School Boards Association. To the extent practicable, each appointing authority must appoint members representing schools in regions across the state. All appointments must be made no later than September 1, 2024.

Subd. 2. **Duties; report.** (a) The working group is established to advise the legislature on strategies and recommendations to provide competitive compensation to teachers and paraprofessionals in Minnesota elementary, middle, and secondary schools.

(b) The working group must report its proposed strategies, recommendations, and draft legislation to the legislative committees with jurisdiction over prekindergarten through grade 12 education finance and policy by February 14, 2025. The report must be filed according to Minnesota Statutes, section 3.195.

(c) At a minimum, the report must:

(1) analyze data on the professional pay gap for Minnesota teachers;

(2) provide historical analysis on pay trends for Minnesota teachers;

(3) examine historical trends in total compensation for Minnesota teachers, including wages and salary, health insurance and other benefits, and pension benefits;

(4) examine historical trends in the tuition and opportunity costs of teacher preparation and student debt burdens; and

(5) collect and analyze data on the workloads and compensation of Minnesota education support professionals.

Subd. 3. **Meetings; compensation.** (a) The working group must convene its initial meeting no later than September 15, 2024, and must meet regularly thereafter.

(b) Members of the working group are eligible for per diem compensation as provided under Minnesota Statutes, section 15.059, subdivision 3.

Subd. 4. **Administrative provisions.** (a) The executive director of the Professional Educator Licensing and Standards Board or the executive director's designee must convene the initial meeting of the working group. Upon request of the working group, the executive director must provide meeting space and administrative services for the group. The members of the working group must elect a chair or cochair from the members of the working group at the initial meeting.

(b) Upon request of the working group, the Professional Educator Licensing and Standards Board must provide information necessary for the working group to make its recommendations, including but not limited to information on teacher and paraprofessional qualifications, licensure, employment, assignment, and compensation.

Subd. 5. **Expiration.** The working group expires February 14, 2025, or upon submission of the report required under subdivision 2, whichever is earlier.

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

Sec. 23. **APPROPRIATIONS.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sum indicated in this section is appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal year designated.

Subd. 2. **Teacher and paraprofessional compensation working group.** (a) For administration and per diem compensation for members of the teacher and paraprofessional compensation working group:

§ 150,000 2025

(b) This is a onetime appropriation.

ARTICLE 5

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2023 Supplement, section 124E.13, subdivision 1, is amended to read:

Subdivision 1. **Leased space.** A charter school may lease space from: an independent or special school board; other public organization; private, nonprofit, nonsectarian organization; private property owner; or a sectarian organization if the leased space is constructed as a school facility. In all cases, the eligible lessor must also be the building owner. The commissioner must review and approve or disapprove leases lease aid applications in a timely manner to determine eligibility for lease aid under section 124E.22.

Sec. 2. Minnesota Statutes 2022, section 124E.22, is amended to read:

124E.22 BUILDING LEASE AID.

(a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purpose and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid in the form and manner prescribed by the commissioner. The commissioner must review and either approve or deny a lease aid application using at least the following criteria:

- (1) the reasonableness of the price based on current market values;
- (2) the extent to which the lease conforms to applicable state laws and rules; and

(3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. The commissioner must approve aid only for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve the charter school of its lease obligations at the time the charter contract is terminated or not renewed. The closure clause under item (ii) must not be constructed or construed to relieve the charter school of its lease obligations in effect before the charter contract is terminated or not renewed.

(b) A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs.

(c) The amount of annual building lease aid for a charter school shall not exceed the lesser of (1) 90 percent of the approved cost or (2) the product of the charter school building lease aid pupil units served for the current school year times \$1,314.

(d) A charter school's building lease aid pupil units equals the sum of the charter school pupil units under section 126C.05 and the pupil units for the portion of the day that the charter school's enrolled students are participating in the Postsecondary Enrollment Options Act under section 124D.09 and not otherwise included in the pupil count under section 126C.05.

Sec. 3. Laws 2023, chapter 55, article 2, section 64, subdivision 6, as amended by Laws 2024, chapter 81, section 9, is amended to read:

Subd. 6. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

\$	91,457,000	.....	2024
	94,578,000		
\$	<u>94,906,000</u>	.....	2025

(b) The 2024 appropriation includes \$9,047,000 for 2023 and \$82,410,000 for 2024.

(c) The 2025 appropriation includes \$9,156,000 for 2024 and ~~\$85,422,000~~ \$85,750,000 for 2025.

Sec. 4. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. **Safe schools supplemental aid for charter schools.** (a) For safe schools supplemental aid for charter schools:

\$	<u>3,000,000</u>	<u>2025</u>
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(b) Safe schools supplemental aid for a charter school equals the product of:

(1) the amount appropriated under paragraph (a); and

(2) the ratio of (i) the charter school's student enrollment on October 1, 2024, to (ii) the student enrollment on October 1, 2024, for all charter schools in the state.

(c) Safe schools supplemental aid must be reserved and used only for costs associated with safe schools activities authorized under Minnesota Statutes, section 126C.44, subdivision 4, or building lease expenses not funded by building lease aid that are attributable to facility security enhancements made by the landlord after March 1, 2024.

(d) One hundred percent of the aid under this subdivision must be paid in fiscal year 2025 on a schedule to be determined by the commissioner.

(e) This is a onetime appropriation.

ARTICLE 6

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 26, is amended to read:

Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary in making a determination for eligibility for individualized education program and individualized family service plan services and for medical services identified in a recipient's individualized education program and individualized family service plan and covered under the medical assistance state plan. Covered services include occupational therapy, physical therapy, speech-language therapy, clinical psychological services, nursing services, school psychological services, school social work services, personal care assistants serving as management aides, assistive technology devices, transportation services, health assessments, and other services covered under the medical assistance state plan. Mental health services eligible for medical assistance reimbursement must be provided or coordinated through a children's mental health collaborative where a collaborative exists if the child is included in the collaborative operational target population. The provision or coordination of services does not require that the individualized education program be developed by the collaborative.

The services may be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity; physician's, advanced practice registered nurse's, or physician assistant's orders; documentation; personnel qualifications; and prior authorization requirements. The nonfederal share of costs for services provided under this subdivision is the responsibility of the local school district as provided in section 125A.74. Services listed in a child's individualized education program are eligible for medical assistance reimbursement only if those services meet criteria for federal financial participation under the Medicaid program.

(b) Approval of health-related services for inclusion in the individualized education program does not require prior authorization for purposes of reimbursement under this chapter. The commissioner may require physician, advanced practice registered nurse, or physician assistant review and approval of the plan not more than once annually or upon any modification of the individualized education program that reflects a change in health-related services.

(c) Services of a speech-language pathologist provided under this section are covered notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

(1) holds a masters degree in speech-language pathology;

(2) is licensed by the Professional Educator Licensing and Standards Board as an educational speech-language pathologist; and

(3) either has a certificate of clinical competence from the American Speech and Hearing Association, has completed the equivalent educational requirements and work experience necessary

for the certificate or has completed the academic program and is acquiring supervised work experience to qualify for the certificate.

(d) Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.

(e) The commissioner shall develop and implement package rates, bundled rates, or per diem rates for special education services under which separately covered services are grouped together and billed as a unit in order to reduce administrative complexity.

(f) The commissioner shall develop a cost-based payment structure for payment of these services. Only costs reported through the designated Minnesota Department of Education data systems in distinct service categories qualify for inclusion in the cost-based payment structure. The commissioner shall reimburse claims submitted based on an interim rate, and shall settle at a final rate once the department has determined it. The commissioner shall notify the school district of the final rate. The school district has 60 days to appeal the final rate. To appeal the final rate, the school district shall file a written appeal request to the commissioner within 60 days of the date the final rate determination was mailed. The appeal request shall specify (1) the disputed items and (2) the name and address of the person to contact regarding the appeal.

(g) Effective July 1, 2000, medical assistance services provided under an individualized education program or an individual family service plan by local school districts shall not count against medical assistance authorization thresholds for that child.

(h) Nursing services as defined in section 148.171, subdivision 15, and provided as an individualized education program health-related service, are eligible for medical assistance payment if they are otherwise a covered service under the medical assistance program. Medical assistance covers the administration of prescription medications by a licensed nurse who is employed by or under contract with a school district when the administration of medications is identified in the child's individualized education program. The simple administration of medications alone is not covered under medical assistance when administered by a provider other than a school district or when it is not identified in the child's individualized education program.

(i) ~~School social work~~ Services provided by a school social worker as described in paragraph (l) must be provided by a mental health professional as defined in section 245I.04, subdivision 2; a clinical trainee as defined in section 245I.04, subdivision 6, under the supervision of a mental health professional; or a mental health practitioner as defined in section 245I.04, subdivision 4, under the supervision of a mental health professional, are to be eligible for medical assistance payment. A mental health practitioner performing school social work services under this section must provide services within the mental health practitioner's licensure scope of practice, if applicable, and within the mental health practitioner scope of practice under section 245I.04, subdivision 5 reimbursement. Services described in paragraph (l) must be provided within the provider's scope of practice as defined in section 245I.04, subdivisions 3, 5, and 7.

(j) Notwithstanding section 245I.10, subdivision 2, a special education evaluation, and assessment for and within an individual family service plan or individualized education program, or individual family service plan may be used to determine medical necessity and eligibility for school social

work services under paragraph (i) instead of a diagnostic assessment for services described under paragraph (l). The special education evaluation and assessments for and within the individualized education program, or individual family service plan, that meet the requirements in section 245I.10, subdivision 4 and subdivision 5 or 6, and that is completed by a licensed mental health professional or clinical trainee supervised by a licensed mental health professional can be used for determining medical necessity. In addition, for services that do not require a diagnosis using an assessment as defined in section 245I.10, subdivision 4 and subdivision 5 or 6, the special education evaluation and assessments for and within the individualized education program, or individual family service plan, that provide an International Classification of Diseases diagnostic code and are completed by a licensed mental health professional or clinical trainee supervised by a licensed mental health professional can be used for determining medical necessity.

(k) A school social worker or school providing ~~mental health~~ services under paragraph ~~(i)~~ (l) is not required to be certified to provide children's therapeutic services and supports under section 256B.0943.

(l) Covered ~~mental health~~ services provided by a school social worker under this paragraph (i) include ~~but are not limited to:~~

~~(1) administering and reporting standardized measures;~~

~~(2) care coordination;~~

~~(3) children's mental health crisis assistance, planning, and response services;~~

(1) the explanation of findings as described in section 256B.0671, subdivision 4;

(2) psychotherapy for crisis as described in section 256B.0671, subdivision 14;

~~(4)~~ (3) children's mental health clinical care consultation, as described in section 256B.0671, subdivision 7;

~~(5)~~ (4) dialectical behavioral therapy for adolescents, as described in section 256B.0671, subdivision 6;

~~(6) direction of mental health behavioral aides;~~

~~(7)~~ (5) family psychoeducation, as described in section 256B.0671, subdivision 5; and

~~(8)~~ (6) individual, family, and group psychotherapy, as described in section 256B.0671, subdivision 11.

~~(9) mental health behavioral aide services;~~

~~(10) skills training; and~~

~~(11) treatment plan development and review.~~

EFFECTIVE DATE. This section is effective July 1, 2024, or upon federal approval, whichever is later.

Sec. 2. Minnesota Statutes 2023 Supplement, section 256B.0671, is amended by adding a subdivision to read:

Subd. 14. **Psychotherapy for crisis.** (a) Medical assistance covers psychotherapy for crisis when a recipient is in need of an immediate response due to an increase of mental illness symptoms that put them at risk of one of the following:

- (1) experiencing a life threatening mental health crisis;
- (2) needing a higher level of care;
- (3) worsening symptoms without mental health intervention;
- (4) harm to self, others, or property damage; or
- (5) significant disruption of functioning in at least one life area.

(b) "Psychotherapy for crisis" means a treatment of client to reduce their mental health crisis through immediate assessment and psychotherapeutic interventions. It must include:

- (1) emergency assessment of the crisis situation;
- (2) mental status exam;
- (3) psychotherapeutic interventions to reduce the crisis; and
- (4) development of a post-crisis plan that addresses the recipient's coping skills and community resources.

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

Sec. 3. Laws 2023, chapter 55, article 7, section 18, subdivision 4, as amended by Laws 2024, chapter 81, section 18, is amended to read:

Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.75:

\$	2,288,826,000	.....	2024
	2,485,140,000		
\$	<u>2,486,181,000</u>	.....	2025

(b) The 2024 appropriation includes \$229,860,000 for 2023 and \$2,058,966,000 for 2024.

(c) The 2025 appropriation includes \$289,842,000 for 2024 and ~~\$2,195,298,000~~ \$2,196,339,000 for 2025.

Sec. 4. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education in the fiscal year designated.

Subd. 2. **Special education apprenticeship programs.** (a) For grants to intermediate school districts for special education registered apprenticeship programs:

§ 1,030,000 2025

(b) The department must award grants of \$250,000 each to Intermediate School Districts Nos. 287, 288, 916, and 917. The grant funds must be used for special education registered apprenticeship programs. Grant funds may be used for:

(1) program oversight and administrative costs of the intermediate school district and its partner higher education institution;

(2) stipends and tuition, fees, and other direct program costs incurred by apprentices;

(3) stipends for teachers serving as mentors; and

(4) the cost of substitute teachers.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to \$30,000 of the appropriation is available for grant administration.

(d) This appropriation does not cancel but is available until June 30, 2027.

(e) This is a onetime appropriation.

ARTICLE 7

HEALTH AND SAFETY

Section 1. Minnesota Statutes 2023 Supplement, section 120B.018, subdivision 6, is amended to read:

Subd. 6. **Required standard.** "Required standard" means ~~(1)~~ a statewide adopted expectation for student learning in the content areas of language arts, mathematics, science, social studies, physical education, health, and the arts, ~~and (2) a locally adopted expectation for student learning in health.~~

Sec. 2. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics, encompassing algebra II, integrated mathematics III, or an equivalent in high school, and to be prepared for the three credits of mathematics in grades 9 through 12, the grade 8 standards include completion of algebra;

(3) science, including earth and space science, life science, and the physical sciences, including chemistry and physics;

(4) social studies, including history, geography, economics, and government and citizenship that includes civics;

(5) physical education;

(6) ~~health, for which locally developed academic standards apply;~~ and

(7) the arts. Public elementary and middle schools must offer at least three and require at least two of the following five arts areas: dance; media arts; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

(c) The department may modify SHAPE America (Society of Health and Physical Educators) standards and adapt the national standards to accommodate state interest. The modification and adaptations must maintain the purpose and integrity of the national standards. The department must make available sample assessments, which school districts may use as an alternative to local assessments, to assess students' mastery of the physical education standards beginning in the 2018-2019 school year.

(d) A school district may include child sexual abuse prevention instruction in a health curriculum, consistent with paragraph (a), clause (6). Child sexual abuse prevention instruction may include age-appropriate instruction on recognizing sexual abuse and assault, boundary violations, and ways offenders groom or desensitize victims, as well as strategies to promote disclosure, reduce self-blame, and mobilize bystanders. A school district may provide instruction under this paragraph in a variety of ways, including at an annual assembly or classroom presentation. A school district may also provide parents information on the warning signs of child sexual abuse and available resources.

(e) 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, 120B.11, and 120B.20.

(f) Locally developed academic standards in health apply until the end of the 2025-2026 school year, or until the commissioner adopts statewide rules implementing statewide health standards under subdivision 3, whichever occurs later.

Sec. 3. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 2, is amended to read:

Subd. 2. **Standards development.** (a) The commissioner must consider advice from at least the following stakeholders in developing statewide rigorous core academic standards in language arts, mathematics, science, social studies, including history, geography, economics, government and citizenship, health, and the arts:

(1) parents of school-age children and members of the public throughout the state;

(2) teachers throughout the state currently licensed and providing instruction in language arts, mathematics, science, social studies, health, or the arts and licensed elementary and secondary school principals throughout the state currently administering a school site;

(3) currently serving members of local school boards and charter school boards throughout the state;

(4) faculty teaching core subjects at postsecondary institutions in Minnesota;

(5) representatives of the Minnesota business community; ~~and~~

(6) representatives from the Tribal Nations Education Committee and Tribal Nations and communities in Minnesota, including both Anishinaabe and Dakota; and

(7) current students, with input from the Minnesota Youth Council.

(b) Academic standards must:

(1) be clear, concise, objective, measurable, and grade-level appropriate;

(2) not require a specific teaching methodology or curriculum; and

(3) be consistent with the Constitutions of the United States and the state of Minnesota.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** (a) The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under section 14.389 for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts.

(b) The commissioner must adopt statewide rules for implementing statewide rigorous core academic standards in health.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian Tribes and communities, including urban Indigenous communities, as related to the academic standards during

the review and revision of the required academic standards. The commissioner must embed Indigenous education for all students consistent with recommendations from Tribal Nations and urban Indigenous communities in Minnesota regarding the contributions of American Indian Tribes and communities in Minnesota into the state's academic standards during the review and revision of the required academic standards. The recommendations to embed Indigenous education for all students includes but is not limited to American Indian experiences in Minnesota, including Tribal histories, Indigenous languages, sovereignty issues, cultures, treaty rights, governments, socioeconomic experiences, contemporary issues, and current events.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.302, subdivision 3, paragraph (a). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2021-2022 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2017-2018 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2018-2019 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2019-2020 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2020-2021 school year and every ten years thereafter.

(g) The commissioner must implement a review of the academic standards and related benchmarks in physical education beginning in the 2026-2027 school year and every ten years thereafter.

(h) The commissioner must implement a review of the academic standards and related benchmarks in health education beginning in the 2034-2035 school year and every ten years thereafter.

~~(h)~~ (i) School districts and charter schools must revise and align local academic standards and high school graduation requirements in ~~health~~, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in ~~health~~, world languages, and career and technical education.

~~(j)~~ (j) The commissioner of education must embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements.

~~(k)~~ (k) The commissioner of education must embed ethnic studies as related to the academic standards during the review and revision of the required academic standards.

Sec. 6. Minnesota Statutes 2023 Supplement, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** (a) Students must successfully complete the following high school level credits for graduation:

(1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;

(2) three credits of mathematics sufficient to satisfy all of the academic standards in mathematics;

(3) three credits of science, including one credit to satisfy all the earth and space science standards for grades 9 through 12, one credit to satisfy all the life science standards for grades 9 through 12, and one credit to satisfy all the chemistry or physics standards for grades 9 through 12;

(4) three and one-half credits of social studies, including credit for a course in government and citizenship in either grade 11 or 12 for students beginning grade 9 in the 2024-2025 school year and later or an advanced placement, international baccalaureate, or other rigorous course on government and citizenship under section 120B.021, subdivision 1a, and a combination of other credits encompassing at least United States history, geography, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;

(5) one credit of the arts sufficient to satisfy all of the academic standards in the arts;

(6) credits sufficient to satisfy the state standards in physical education; ~~and~~

(7) credits sufficient to satisfy the state standards in health upon adoption of statewide rules for implementing health standards under section 120B.021; and

~~(7)~~ (8) a minimum of seven elective credits.

(b) Students who begin grade 9 in the 2024-2025 school year and later must successfully complete a course for credit in personal finance in grade 10, 11, or 12. A teacher of a personal finance course that satisfies the graduation requirement must have a field license or out-of-field permission in agricultural education, business, family and consumer science, social studies, or math.

Sec. 7. Minnesota Statutes 2022, section 121A.035, is amended to read:

121A.035 CRISIS MANAGEMENT POLICY.

Subdivision 1. **Model policy.** The commissioner shall maintain and make available to school boards and charter schools a model crisis management policy that includes, among other items, cardiac emergency response plans, school lock-down and tornado drills, consistent with subdivision 2, and school fire drills under section 299F.30.

Subd. 2. **School district and charter school policy.** A school board and a charter school must adopt a crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any

other appropriate individuals or organizations. The policy must include at least ~~five~~ three school lock-down drills, five school fire drills consistent with section 299F.30, ~~and~~ one tornado drill, ~~and~~ one cardiac emergency response drill consistent with section 121A.241. An active shooter drill conducted according to the criteria established in section 121A.038, subdivision 2, is equivalent to a school lock-down drill.

Sec. 8. Minnesota Statutes 2022, section 121A.037, is amended to read:

121A.037 SCHOOL SAFETY DRILLS.

Private schools and educational institutions not subject to section 121A.035 must have at least ~~five~~ three school lock-down drills, five school fire drills consistent with section 299F.30, ~~and~~ one tornado drill, ~~and~~ one cardiac emergency response drill consistent with section 121A.241. An active shooter drill conducted according to the criteria established in section 121A.038, subdivision 2, is equivalent to a school lock-down drill.

Sec. 9. **121A.241 CARDIAC EMERGENCY RESPONSE PLAN.**

Subdivision 1. Cardiac emergency response plan. (a) For purposes of this section, a "cardiac emergency response plan" is a written document that establishes specific steps to reduce death from cardiac arrest. A cardiac emergency response plan must integrate evidence-based core elements, such as those recommended by the American Heart Association in accordance with a published, peer-reviewed journal article or similar document.

(b) Beginning in the 2025-2026 school year, a school district or charter school must develop a cardiac emergency response plan that addresses the appropriate use of school personnel to respond to incidents involving an individual experiencing sudden cardiac arrest or a similar life-threatening emergency while on school grounds or at a school-sponsored activity or event. A district or charter school must consult with athletic trainers when developing the plan. A principal or other person having administrative control over the school site must ensure that the plan is:

(1) available to the school community on the school website and in paper form at various locations at the school site;

(2) distributed to all coaches and other athletic staff members at each school site, all persons responsible for executing the plan in the event of a cardiac emergency, all health care professionals that provide medical services during school-sponsored activities or events, and to other appropriate school staff, as determined by school administrators; and

(3) annually reviewed, rehearsed, and revised, as necessary.

(c) A cardiac emergency response plan must:

(1) identify the members of a cardiac emergency response team at each school site who are on duty during the regular school day and while extracurricular activities are conducted at the school site;

(2) provide guidelines for the cardiac emergency response team's response to sudden cardiac arrest;

(3) require that automatic external defibrillators are available for use within close proximity to the site of a school-sponsored activity or event; identify where automatic external defibrillators are located at the school site, in accordance with guidelines from the American Heart Association or other nationally recognized guidelines focused on emergency cardiovascular care; and identify the maintenance schedule for the automatic external defibrillators;

(4) require training on cardiopulmonary resuscitation and automatic external defibrillator use for coaches, assistant coaches, and other school staff identified by school administrators;

(5) require the emergency response team to participate in a cardiac emergency simulation at least 30 days before the beginning of each school year;

(6) describe the procedures that must be followed after a serious or life-threatening injury or cardiac emergency occurs at a school-sponsored event or activity, including but not limited to responding to the injured individual, summoning emergency medical care, assisting emergency medical service providers, and documenting the actions taken during the emergency;

(7) encourage cooperation and coordination with community members such as emergency medical technicians and paramedics, among others; and

(8) integrate an emergency action plan that was developed by health care personnel and is currently in place.

Subd. 2. **Training requirements.** A school district or charter school must provide all members of a cardiac emergency response team with training necessary to implement a cardiac emergency response plan.

Sec. 10. **HEALTH EDUCATION STANDARDS; RULEMAKING.**

(a) The commissioner of education must begin the rulemaking process to adopt statewide academic standards in health in accordance with Minnesota Statutes, chapter 14 and section 120B.021. The commissioner must consult with the commissioner of health and the commissioner of human services in developing the proposed rules. The rules must include at least the expectations for learning listed in paragraph (b), but may consider expectations in paragraph (c).

(b) The standards must include expectations for learning in the following areas:

(1) mental health education in accordance with Minnesota Statutes, section 120B.21;

(2) cardiopulmonary resuscitation and automatic defibrillator education that allows districts to include instruction for grades 7 through 12 that meets the requirements of Minnesota Statutes, section 120B.236;

(3) vaping awareness and prevention education that allows districts to include instruction for grades 6 through 8 that meets the requirements of Minnesota Statutes, section 120B.238;

(4) cannabis use and substance use education that allows districts to include instruction for grades 6 through 12 that meets the requirements of Minnesota Statutes, section 120B.215; and

(5) sexually transmitted infections and diseases education that meets the requirements of Minnesota Statutes, section 121A.23.

(c) The standards may include the following optional expectations for learning:

(1) child sexual abuse prevention education in accordance with Minnesota Statutes, sections 120B.021, subdivision 1, paragraph (d); and 120B.234;

(2) violence prevention education in accordance with Minnesota Statutes, section 120B.22;

(3) character development education in accordance with Minnesota Statutes, section 120B.232; and

(4) safe and supportive schools education in accordance with Minnesota Statutes, section 121A.031, subdivision 5.

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

Sec. 11. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education in the fiscal years designated.

Subd. 2. **Rulemaking.** (a) For rulemaking related to health education standards:

§ 132,000 2025

(b) This is a onetime appropriation. This appropriation is available until June 30, 2026.

Subd. 3. **Cardiac emergency response plan assistance.** (a) To reimburse school districts and charter schools for costs related to implementing cardiac emergency response plans under Minnesota Statutes, section 121A.241:

§ 1,000,000 2025

(b) To receive reimbursement, a school district or charter school must apply in the form and manner determined by the commissioner. The commissioner must provide reimbursement for expenses incurred on or after July 1, 2024, for activities and equipment that promote cardiac emergency response plan preparedness in schools, including but not limited to the purchase and maintenance of automatic external defibrillators, purchase of cardiopulmonary resuscitation equipment and training for faculty and staff, basic first aid training, and educational materials related to cardiac emergency response preparedness. If the appropriation is insufficient, the commissioner must prorate the amount paid to districts seeking reimbursement.

(c) This is a onetime appropriation. This appropriation is available until June 30, 2026.

ARTICLE 8

FACILITIES

Section 1. Minnesota Statutes 2022, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not ~~initiate~~ enter into an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$500,000 per school site if it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. ~~A facility addition, maintenance project, or remodeling project~~ New construction, expansion, or remodeling of an educational facility funded only with general education revenue, lease levy proceeds from an additional capital expenditure levy under section 126C.40, subdivision 1, capital facilities bond proceeds, or long-term facilities maintenance revenue is exempt from this provision. A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.71, subdivision 12, is amended to read:

Subd. 12. **Publication.** (a) At least 48 days but not more than ~~60~~ 88 days before a referendum for bonds under chapter 475 or solicitation of bids for a project that has received a positive or unfavorable review and comment under section 123B.70, the school board shall publish a summary of the commissioner's review and comment of that project in the legal newspaper of the district. The school board must hold a public meeting to discuss the commissioner's review and comment before the such a referendum for bonds. Supplementary information shall be available to the public. Where no such referendum for bonds is required, the publication and public meeting requirements of this subdivision shall not apply.

(b) The publication requirement in paragraph (a) does not apply to alternative facilities projects approved under section 123B.595.

Sec. 3. Minnesota Statutes 2023 Supplement, section 126C.40, subdivision 6, is amended to read:

Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, Independent School District No. 709, Duluth, or Independent School District No. 535, Rochester, if the district's desegregation plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) other districts eligible for revenue under section 124D.862 if the facility acquired under this subdivision is to be primarily used for a joint program for interdistrict desegregation and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

(g) Projects funded under this subdivision that require an expenditure in excess of \$500,000 per school site if the school district has a capital loan outstanding, or \$2,000,000 per school site if the school district does not have a capital loan outstanding, are subject to review and comment under section 123B.71, subdivision 8, in the same manner as other school construction projects.

Sec. 4. Laws 2023, chapter 55, article 8, section 19, subdivision 5, is amended to read:

Subd. 5. Grants for gender-neutral single-user restrooms. (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

\$	1,000,000	.....	2024
\$	1,000,000	.....	2025

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than \$75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to \$75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

(f) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 5. Laws 2023, chapter 55, article 8, section 19, subdivision 6, as amended by Laws 2024, chapter 81, section 22, is amended to read:

Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	107,905,000	.....	2024
	107,630,000		
\$	<u>107,865,000</u>	.....	2025

(b) The 2024 appropriation includes \$10,821,000 for 2023 and \$97,084,000 for 2024.

(c) The 2025 appropriation includes \$10,787,000 for 2024 and ~~\$96,843,000~~ \$97,078,000 for 2025.

ARTICLE 9

NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2023 Supplement, section 124D.111, subdivision 3, is amended to read:

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

(i) For purposes of this subdivision, "lunchroom furniture" means tables and chairs regularly used by pupils in a lunchroom from which they may consume milk, meals, or snacks in connection with school or community service activities.

EFFECTIVE DATE. This section is effective for fiscal year 2024 and later.

Sec. 2. [127A.151] STATE SCHOOL LIBRARIAN.

(a) The Department of Education must employ a state school librarian within the State Library Services Division of the department to provide technical assistance to licensed school library media specialists and licensed school librarians. The state school librarian must be or have been a licensed school library media specialist.

(b) The responsibilities of the state school librarian include but are not limited to providing advice and guidance in academic standards development and statewide library data collection from district and charter schools, and related activities. The state school librarian may provide advice and guidance to the Department of Education staff responsible for administering state library aid and monitoring district compliance. The state school librarian must support district and charter schools on issues of intellectual freedom, media and digital literacy, and growing lifelong readers. The state school librarian must share information about available grant funds and resources, work with the Professional Educator Licensing and Standards Board to support licensure acquisition, and support professional development for licensed school library media specialists and licensed school librarians.

Sec. 3. Minnesota Statutes 2023 Supplement, section 134.356, is amended by adding a subdivision to read:

Subd. 3. **Report.** By January 15, 2025, and annually thereafter, the commissioner of education must report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education on how school districts and charter schools used aid under this section in the previous fiscal year. In preparing the report, the commissioner may use information available from the uniform financial accounting and reporting system. The report must be filed in accordance with section 3.195.

Sec. 4. Laws 2023, chapter 18, section 4, subdivision 2, as amended by Laws 2023, chapter 55, article 9, section 16, and Laws 2024, chapter 81, section 23, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

\$	218,801,000	.....	2024
	<u>238,987,000</u>		
\$	<u>239,686,000</u>	.....	2025

Sec. 5. Laws 2023, chapter 18, section 4, subdivision 3, as amended by Laws 2023, chapter 55, article 9, section 17, and Laws 2024, chapter 81, section 24, is amended to read:

Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	44,178,000	.....	2024
	<u>48,334,000</u>		
\$	<u>48,747,000</u>	.....	2025

Sec. 6. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 134.356, as Minnesota Statutes, section 124D.992, and make any necessary changes to statutory cross-references to reflect these changes.

ARTICLE 10

EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2023 Supplement, section 124D.151, subdivision 5, is amended to read:

Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for program approval for fiscal year 2017, a district or charter school must submit an application to the commissioner by July 1, 2016. To qualify for program approval for fiscal year 2018 and later, a district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:~~

(1) a description of the proposed program, including the number of hours per week the program will be offered at each school site or mixed-delivery location;

(2) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location; and

(3) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.

(b) The commissioner ~~must review all applications submitted for fiscal year 2017 by August 1, 2016, and must review all applications submitted for fiscal year 2018 and later by March 1 of the fiscal year in which the applications are received and determine whether each application meets the requirements of paragraph (a).~~

(c) The commissioner must divide all applications for new or expanded voluntary prekindergarten programs under this section meeting the requirements of paragraph (a) and school readiness plus programs into ~~four~~ five groups as follows: the Minneapolis ~~and~~ school district; the St. Paul school ~~districts~~ district; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price meals by school site on October 1 of the previous school year. A school site may contract to partner with a community-based provider or Head Start under subdivision 3 or establish an early childhood center and use the concentration of kindergarten students eligible for free or reduced-price meals from a specific school site as long as those eligible children are prioritized and guaranteed services at the mixed-delivery site or early education center. For school district programs to be operated at locations that do not have free and reduced-price meals concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of kindergarten students eligible for free or reduced-price meals must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price meals that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price meals that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

(3) whether the district has implemented a mixed delivery system.

~~(d) The limit on participation for the programs as specified in subdivision 6 must initially be allocated among the four groups based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year. Within each group, the participation limit for fiscal years 2018 and 2019 must first be allocated to school sites approved for aid in the previous year to ensure that those sites are funded for the same number of participants as approved for the previous year. The remainder of the participation limit for each group must be allocated among~~

school sites in priority order until that region's share of the participation limit is reached. If the participation limit is not reached for all groups, the remaining amount must be allocated to the highest priority school sites, as designated under this section, not funded in the initial allocation on a statewide basis. For fiscal year 2020 and later, the participation limit must first be allocated to school sites approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year 2018 based on the statewide rankings under paragraph (c).

~~(e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid under this subdivision, it shall remain eligible for aid if it continues to meet program requirements, regardless of changes in the concentration of students eligible for free or reduced-price meals.~~

~~(f) If the total number of participants approved based on applications submitted under paragraph (a) is less than the participation limit under subdivision 6, the commissioner must notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.~~

~~(g) Procedures for approving applications submitted under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the allocations shall be made to the highest priority school sites not funded in the initial allocation on a statewide basis.~~

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

Sec. 2. Minnesota Statutes 2022, section 124D.151, is amended by adding a subdivision to read:

Subd. 5a. Participation limit allocation. (a) Beginning July 1, 2024, the participation limit specified in subdivision 6 must be initially allocated as follows:

(1) a school site or mixed delivery site must receive the same number of seats the site received in fiscal year 2024; and

(2) the remaining seats must be allocated among the five groups identified under subdivision 5, paragraph (c), based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year.

(b) Within each group:

(1) the seats must be first allocated to any school sites and mixed delivery sites approved for aid in the previous year; and

(2) any remaining seats must be allocated among school sites in priority order, as determined under subdivision 5, paragraph (c), until the group's share of seats are allocated.

(c) If a group's entire share of seats is not allocated under paragraphs (a) and (b), then the remaining seats must be allocated to the highest priority school sites and mixed delivery sites in the state, as designated under subdivision 5, paragraph (c), not funded in the allocation under paragraphs (a) and (b).

(d) Once a school site or a mixed delivery site is approved for aid under subdivision 5 and is allocated seats under this subdivision, it shall remain eligible for aid and seats if it continues to meet

program requirements, regardless of changes in the concentration of students eligible for free or reduced-price meals.

(e) If the total number of participants approved based on applications submitted under subdivision 5, paragraph (a), is less than the participation limit under subdivision 6, the commissioner must notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under subdivision 5, paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.

(f) Procedures for approving applications submitted under paragraph (e) shall be the same as specified in subdivision 5, and the allocations shall be made to the highest priority school sites in the state as designated under subdivision 5, paragraph (c), not funded in the initial allocation under paragraphs (a) and (b).

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (c), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (d).

(b) In reviewing applications under subdivision 5 and allocating seats under subdivision 5a, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal years 2023, year 2024, and 2025, and 12,360 participants for fiscal year ~~2026~~ 2025 and later.

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

Sec. 4. Minnesota Statutes 2022, section 124D.19, subdivision 11, is amended to read:

Subd. 11. **School-age care programs.** (a) A school board may offer, as part of a community education program, a school-age care program for children ~~from kindergarten~~ enrolled in the district through grade 6 for the purpose of expanding students' learning opportunities. If the school board chooses not to offer a school-age care program, it may allow an appropriate insured community group, for profit entity or nonprofit organization to use available school facilities for the purpose of offering a school-age care program.

(b) A school-age care program must include the following:

(1) adult supervised programs while school is not in session;

(2) parental involvement in program design and direction;

(3) partnerships with the kindergarten through grade 12 system, and other public, private, or nonprofit entities;

(4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program; and

(5) access to available school facilities, including the gymnasium, sports equipment, computer labs, and media centers, when not otherwise in use as part of the operation of the school. The school district may establish reasonable rules relating to access to these facilities and may require that:

(i) the organization request access to the facilities and prepare and maintain a schedule of proposed use;

(ii) the organization provide evidence of adequate insurance to cover the activities to be conducted in the facilities; and

(iii) the organization prepare and maintain a plan demonstrating the adequacy and training of staff to supervise the use of the facilities.

(c) The district may charge a sliding fee based upon family income for school-age care programs. The district may receive money from other public or private sources for the school-age care program. The board of the district must develop standards for school-age child care programs. The commissioner of education may not adopt rules for school-age care programs.

(d) The district shall maintain a separate account within the community services fund for all funds related to the school-age care program.

(e) A district is encouraged to coordinate the school-age care program with its special education, vocational education, adult basic education, early childhood family education programs, kindergarten through grade 12 instruction and curriculum services, youth development and youth service agencies, and with related services provided by other governmental agencies and nonprofit agencies.

Sec. 5. Laws 2023, chapter 54, section 20, subdivision 6, is amended to read:

Subd. 6. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

\$ 35,100,000 2024

\$ 35,100,000 2025

(b) For fiscal year 2025 and later, up to two percent of the appropriation in each year is available for administration.

(c) Any balance in the first year does not cancel but is available in the second year.

Sec. 6. Laws 2023, chapter 54, section 20, subdivision 24, is amended to read:

Subd. 24. **Early childhood curriculum grants.** (a) For competitive grants to Minnesota postsecondary institutions to improve the curricula of the recipient institution's early childhood education programs by incorporating or conforming to the Minnesota knowledge and competency frameworks for early childhood professionals:

\$	250,000	.....	2024
\$	250,000	.....	2025

(b) By December 1, 2024, and again by December 1, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over early childhood through grade 12 education and higher education finance and policy reporting on grants awarded under this subdivision. The report must include the following information for the previous fiscal year:

- (1) the number of grant applications received;
- (2) the criteria applied by the commissioner for evaluating applications;
- (3) the number of grants awarded, grant recipients, and amounts awarded;
- (4) early childhood education curricular reforms proposed by each recipient institution;
- (5) grant outcomes for each recipient institution; and
- (6) other information identified by the commissioner as outcome indicators.

(c) The commissioner may use no more than three percent of the appropriation under this subdivision to administer the grant program.

(d) This is a onetime appropriation.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 7. DIRECTION TO THE COMMISSIONER OF EDUCATION; ADJUSTING VOLUNTARY PREKINDERGARTEN PARTICIPATION LIMITS.

The commissioner of education must retroactively adjust the voluntary prekindergarten and school readiness plus seat allocation under Minnesota Statutes, section 124D.151, subdivision 5a, for fiscal year 2025 to match the participation limit under Minnesota Statutes, section 124D.141, subdivision 6, for fiscal year 2025. The commissioner of education, in consultation with the Department of Children, Youth, and Families Implementation Office, must finish allocating the new seats for fiscal year 2025 by June 1, 2024, and must notify qualifying school districts and charter schools about the new seats by June 15, 2024.

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

Sec. 8. REPEALER.

Laws 2023, chapter 55, article 10, section 4, is repealed.

ARTICLE 11**STATE AGENCIES**

Section 1. Laws 2023, chapter 55, article 12, section 17, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$	47,005,000	.....	2024
\$	39,922,000	.....	2025

Of these amounts:

- (1) \$405,000 each year is for the Board of School Administrators;
- (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;
- (3) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;
- (4) \$480,000 each year is for the Department of Education's mainframe update;
- (5) \$7,500,000 in fiscal year 2024 only is for legal fees and costs associated with litigation;
- (6) \$595,000 in fiscal year 2024 and \$2,609,000 in fiscal year 2025 are for modernizing district data submissions. The base for fiscal year 2026 and later is \$2,359,000;
- (7) \$573,000 each year is for engagement and rulemaking related to Specific Learning Disability;
- (8) \$150,000 each year is for an ethnic studies specialist in the academic standards division to provide support to the ethnic studies working group and to school districts seeking to establish or strengthen ethnic studies courses;
- (9) \$150,000 each year is for the comprehensive school mental health services lead under Minnesota Statutes, section 127A.215;
- (10) \$150,000 each year is for a school health services specialist under Minnesota Statutes, section 121A.20;
- (11) \$2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;
- (12) \$800,000 each year is for audit and internal control resources;
- (13) \$2,000,000 in fiscal year 2024 only is for information technology infrastructure and portfolio resources;
- (14) \$2,000,000 each year is for staffing the Equity, Diversity and Inclusion (EDI) Center at the Department of Education; ~~and~~

(15) \$275,000 in fiscal year 2024 and ~~\$175,000~~ \$45,000 in fiscal year 2025 are for administrative expenses for unemployment aid; and

(16) \$130,000 in fiscal year 2025 is for the state school librarian under Minnesota Statutes, section 127A.151.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2026 and later is \$39,667,000.

Sec. 2. PERMANENT SCHOOL FUND; DISTRIBUTION OF ENDOWMENT FUND EARNINGS TASK FORCE.

Subdivision 1. **Task force established.** A task force of nine members is established to examine the distribution of earnings from the permanent school fund endowment.

Subd. 2. **Membership qualifications and appointments.** (a) Appointed members of the task force must have outstanding professional experience in at least one of the following areas:

(1) institutional asset management;

(2) investment finance;

(3) trust administration;

(4) investment fund accounting;

(5) investment banking; or

(6) the practice of law in the areas of capital markets, securities funds, trusts, foundations, or endowments.

(b) The task force consists of the following nine members, each of whom must be appointed by September 1, 2024:

(1) the commissioner of education or the commissioner's designee;

(2) an employee or other member appointed by the State Board of Investment;

(3) four members appointed by the governor; and

(4) three members appointed by vote of the Legislative Permanent School Fund Commission.

(c) The first meeting of the task force must be called by the commissioner of education no later than October 1, 2024. The Department of Education must provide staff, technical assistance, and organizational support for the task force.

Subd. 3. **Duties.** The task force must examine the historical returns on the permanent school fund endowment and evaluate and recommend potential changes to the distribution of earnings. The task force may examine school trust endowment policies in other states. The task force recommendations may include proposed changes to state statutes and Minnesota's constitutional provisions governing the school trust fund endowment.

Subd. 4. **Report; expiration.** The task force must report its recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over the permanent school fund by January 15, 2026. The task force report must be submitted consistent with Minnesota Statutes, section 3.195. The task force expires on January 15, 2026, or upon submission of the report required under this subdivision, whichever occurs earlier.

Sec. 3. **APPROPRIATION; PERMANENT SCHOOL FUND TASK FORCE.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. **Permanent School Fund Task Force.** (a) To administer the task force on the distribution of earnings from the permanent school fund:

§ 64,000 2025

(b) This is a onetime appropriation. This appropriation is available until June 30, 2026.

Sec. 4. **APPROPRIATION; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sum indicated in this section is appropriated from the general fund to the Professional Educator Licensing and Standards Board in the fiscal year designated.

Subd. 2. **Educator online licensing system.** (a) For information technology costs for the educator online licensing system:

§ 2,767,000 2025

(b) This is a onetime appropriation and is available until June 30, 2027."

Delete the title and insert:

"A bill for an act relating to education finance; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, literacy, teachers, charter schools, special education, health and safety, facilities, nutrition, libraries, early childhood education, and state agencies; providing for rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 120B.363, subdivision 1; 121A.035; 121A.037; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 123B.71, subdivision 8; 124D.093, subdivisions 4, 5; 124D.151, by adding a subdivision; 124D.19, subdivisions 8, 11; 124D.65, by adding a subdivision; 124D.957, subdivision 1; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.33; Minnesota Statutes 2023 Supplement, sections 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.123, subdivision

7; 120B.124, subdivisions 1, 2; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2, 3; 123B.71, subdivision 12; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.151, subdivisions 5, 6; 124D.65, subdivision 5, as amended; 124D.81, subdivision 2b; 124D.901, subdivisions 1, 2, 3; 124D.98, subdivision 5; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3a, 3c, 18a; 126C.40, subdivision 6; 134.356, by adding a subdivision; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 8, 13; article 2, section 64, subdivisions 2, as amended, 6, as amended, 14, 16, 26, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 13, 15, 16; 65, subdivisions 3, 6, 7; article 7, section 18, subdivision 4, as amended; article 8, section 19, subdivisions 5, 6, as amended; article 12, section 17, subdivision 2; Laws 2023, chapter 64, article 15, section 34, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121A; 123B; 127A; repealing Laws 2023, chapter 55, article 10, section 4."

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

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

S.F. No. 4780: A bill for an act relating to labor; regulating transportation network companies; providing a civil cause of action; imposing criminal penalties; amending Minnesota Statutes 2022, section 65B.472; proposing coding for new law as Minnesota Statutes, chapter 181C.

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

Page 1, delete lines 15 to 17 and insert:

"(c) "Disability and income loss benefits" has the meaning given in section 65B.44, subdivision 3, subject to the weekly maximum amount and with a maximum time period of 130 weeks after the injury."

Page 1, line 21, delete "benefit" and insert "benefits"

Page 1, line 22, delete "medical expenses" and insert "payment" and delete everything after "services" and insert "is only required when the services are medically necessary."

Page 2, line 1, delete "and" and insert "a physical injury"

Page 2, line 2, delete "work and includes personal injury caused by occupational disease" and insert "a prearranged ride"

Page 2, line 3, delete everything after "during" and insert "P2 or P3, except as provided under subdivision 2, paragraph (d). A personal injury claimant is subject to the requirements of section 65B.56."

Page 2, delete lines 4 and 5

Page 2, delete lines 18 to 26 and insert:

"(j) "Replacement services loss benefits" has the meaning given in section 65B.44, subdivision 5, subject to the weekly maximum amount and with a maximum time period of 130 weeks after the injury."

Page 2, line 28, delete "except that these benefits are not" and after "amount" insert "and with a maximum time period of 130 weeks after death"

Page 2, line 29, delete "Survivor" and insert "Survivors"

Page 2, line 30, delete everything after the comma and insert "subject to the weekly maximum amount and with a maximum time period of 130 weeks after death."

Page 4, lines 11, 13, 14, 15, 29, 31, and 32, reinstate the stricken language

Page 4, lines 12 and 30, delete the new language

Page 5, line 1, reinstate the stricken language

Page 5, line 2, delete "keep in place," and insert "maintain on behalf of, and" and delete "a driver," and insert ", the driver"

Page 5, line 3, after "through" insert "personal"

Page 5, line 5, delete "shall" and insert "must"

Page 5, line 6, after "includes" insert "the following types of coverage:"

Page 5, line 8, after the period, insert "Coverage under this section includes personal injury sustained while at the drop-off location immediately following the conclusion of a prearranged ride."

Page 5, line 12, delete everything after "must"

Page 5, line 13, delete everything before "include"

Page 5, line 22, delete "shall"

Page 5, after line 23, insert:

"(g) If an injury is covered by blanket accident and sickness insurance maintained by more than one TNC, the insurer of the TNC against whom a claim is filed is entitled to contribution for the pro rata share of coverage attributable to one or more other TNCs up to the coverages and limits in paragraph (d).

"(h) Notwithstanding any law to the contrary, amounts paid or payable under the coverages required by section 65B.49, subdivisions 3a and 4a, shall be reduced by the total amount of benefits paid or payable under insurance provided pursuant to paragraph (d)."

Reletter the paragraphs in sequence

Page 6, line 25, strike "transportation network"

Page 6, line 26, strike "services" and insert "prearranged rides"

Page 7, line 11, before the period, insert ", or while the driver otherwise uses a vehicle to transport passengers for compensation"

Page 7, after line 33, insert:

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

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

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

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

S.F. No. 5301: A bill for an act relating to commerce; modifying fees assessed by the Department of Commerce; amending Minnesota Statutes 2022, sections 45.0135, subdivision 7; 62Q.73, subdivision 3.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. Laws 2023, chapter 63, article 9, section 5, is amended to read:

Sec. 5. OFFICE OF CANNABIS MANAGEMENT	\$ 21,614,000	<u>17,953,000</u> <u>20,680,000</u>
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The base for this appropriation is ~~\$35,587,000~~ \$36,909,000 in fiscal year 2026 and ~~\$38,144,000~~ \$39,530,000 in fiscal year 2027.

\$1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses. The base for this appropriation is \$15,000,000 in fiscal year 2026 and each fiscal year thereafter.

\$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota Statutes, section 342.73, subdivision 4. Of these amounts, up to three percent may be used for administrative expenses.

\$1,107,000 the second year is for temporary regulation under the Health Enforcement Consolidation Act of 1993 of edible products extracted from hemp. This is a onetime appropriation.

\$771,000 the second year is for testing products regulated under Minnesota Statutes, section 151.72, and chapter 342. The base for this appropriation is \$690,000 in fiscal year 2026 and each year thereafter.

\$849,000 the second year is for the Office of Cannabis Management to operate a state reference laboratory. The base for this appropriation is \$632,000 in fiscal year 2026 and \$696,000 in fiscal year 2027.

Sec. 2. Laws 2023, chapter 63, article 9, section 10, is amended to read:

Sec. 10. **HEALTH**

Subdivision 1. Total Appropriation	\$	3,300,000	\$	20,252,000 <u>23,025,000</u>
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The base for this appropriation is ~~\$19,064,000~~ \$23,242,000 in fiscal year 2026 and ~~each fiscal year thereafter~~ \$23,178,000 in fiscal year 2027.

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

Subd. 2. Youth <u>Prevention and Education Program</u>		-0-		5,000,000 <u>4,363,000</u>
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For administration and grants under Minnesota Statutes, section 144.197, subdivision 1. Of the amount appropriated, \$2,863,000 is for program operations and administration and \$1,500,000 is for grants. The base for this appropriation is \$4,534,000

in fiscal year 2026 and \$4,470,000 in fiscal year 2027.

Subd. 3. <u>Prevention and Education Grants for Pregnant or Breastfeeding Individuals</u>	-0-	<u>2,000,000</u> <u>1,788,000</u>
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For ~~grants under~~ a coordinated prevention and education program for pregnant and breastfeeding individuals under Minnesota Statutes, section 144.197, subdivision 2. The base for this appropriation is \$1,834,000 in fiscal year 2026 and each year thereafter.

Subd. 4. <u>Local and Tribal Health Departments</u>	-0-	10,000,000
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For administration and grants under Minnesota Statutes, section 144.197, subdivision 4. Of the amount appropriated, \$1,094,000 is for administration and \$8,906,000 is for grants.

Subd. 5. <u>Cannabis Data Collection and Biennial Reports</u>	493,000	493,000
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For reports under Minnesota Statutes, section 144.196.

Subd. 6. <u>Administration for Expungement Orders</u>	71,000	71,000
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For administration related to orders issued by the Cannabis Expungement Board. The base for this appropriation is \$71,000 in fiscal year 2026, \$71,000 in fiscal year 2027, \$71,000 in fiscal year 2028, \$71,000 in fiscal year 2029, and \$0 in fiscal year 2030.

Subd. 7. <u>Grants to the Minnesota Poison Control System</u>	910,000	810,000
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For administration and grants under Minnesota Statutes, section 145.93. Of the amount appropriated in fiscal year 2025, \$15,000 is for administration and \$795,000 is for grants.

Subd. 8. <u>Temporary Regulation of Edible Products Extracted from Hemp</u>	1,107,000	1,107,000 <u>-0-</u>
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For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. The

commissioner may transfer encumbrances and unobligated amounts from the fiscal year 2024 to the Office of Cannabis Management for this purpose. This is a onetime appropriation.

Subd. 9. Testing-	719,000	771,000 <u>-0-</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.~~ The commissioner may transfer encumbrances and unobligated amounts from fiscal year 2024 to the Office of Cannabis Management for this purpose.

<u>Subd. 10. Substance Use Treatment, Recovery, and Prevention</u>	<u>-0-</u>	<u>5,500,000</u>
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For the purposes outlined in Minnesota Statutes, section 342.72. The base for this appropriation is \$5,500,000 in fiscal year 2026 and each fiscal year thereafter.

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

Sec. 3. Laws 2023, chapter 63, article 9, section 15, subdivision 4, is amended to read:

Subd. 4. Office of Traffic and Safety	11,485,000	6,117,000
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(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, program administration, grants to local law enforcement divisions, and making grants to eligible employers for drug evaluation and classification training costs of their staff. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures

under this appropriation. This appropriation is available until June 30, 2027.

(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.

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

Sec. 4. Laws 2023, chapter 63, article 9, section 20, is amended to read:

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. 5. **DEPARTMENT OF COMMERCE.**

The general fund base for the commissioner of commerce is increased by \$47,000 in fiscal year 2026 and each year thereafter for the commissioner of commerce to administer and enforce Minnesota Statutes, section 325E.21, subdivision 2c.

Sec. 6. **ATTORNEY GENERAL.**

The general fund base for the attorney general is increased by \$941,000 in fiscal year 2026 and \$701,000 in fiscal year 2027 to enforce the Minnesota Consumer Data Privacy Act under Minnesota Statutes, chapter 325O.

ARTICLE 2

MINNESOTA CONSUMER DATA PRIVACY ACT

Section 1. **[13.6505] ATTORNEY GENERAL DATA CODED ELSEWHERE.**

Subdivision 1. **Scope.** The sections referred to in this section are codified outside this chapter. Those sections classify attorney general data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Data privacy and protection assessments.** A data privacy and protection assessment collected or maintained by the attorney general is classified under section 325O.08.

Sec. 2. **[325O.01] CITATION.**

This chapter may be cited as the "Minnesota Consumer Data Privacy Act."

Sec. 3. **[325O.02] DEFINITIONS.**

(a) For purposes of this chapter, the following terms have the meanings given.

(b) "Affiliate" means a legal entity that controls, is controlled by, or is under common control with another legal entity. For purposes of this paragraph, "control" or "controlled" means: ownership of or the power to vote more than 50 percent of the outstanding shares of any class of voting security of a company; control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or the power to exercise a controlling influence over the management of a company.

(c) "Authenticate" means to use reasonable means to determine that a request to exercise any of the rights under section 325O.05, subdivision 1, paragraphs (b) to (h), is being made by or rightfully on behalf of the consumer who is entitled to exercise the rights with respect to the personal data at issue.

(d) "Biometric data" means data generated by automatic measurements of an individual's biological characteristics, including a fingerprint, a voiceprint, eye retinas, irises, or other unique biological patterns or characteristics that are used to identify a specific individual. Biometric data does not include:

(1) a digital or physical photograph;

(2) an audio or video recording; or

(3) any data generated from a digital or physical photograph, or an audio or video recording, unless the data is generated to identify a specific individual.

(e) "Child" has the meaning given in United States Code, title 15, section 6501.

(f) "Consent" means any freely given, specific, informed, and unambiguous indication of the consumer's wishes by which the consumer signifies agreement to the processing of personal data relating to the consumer. Acceptance of a general or broad terms of use or similar document that contains descriptions of personal data processing along with other, unrelated information does not constitute consent. Hovering over, muting, pausing, or closing a given piece of content does not constitute consent. A consent is not valid when the consumer's indication has been obtained by a dark pattern. A consumer may revoke consent previously given, consistent with this chapter.

(g) "Consumer" means a natural person who is a Minnesota resident acting only in an individual or household context. Consumer does not include a natural person acting in a commercial or employment context.

(h) "Controller" means the natural or legal person which, alone or jointly with others, determines the purposes and means of the processing of personal data.

(i) "Decisions that produce legal or similarly significant effects concerning the consumer" means decisions made by the controller that result in the provision or denial by the controller of financial or lending services, housing, insurance, education enrollment or opportunity, criminal justice, employment opportunities, health care services, or access to essential goods or services.

(j) "Dark pattern" means a user interface designed or manipulated with the substantial effect of subverting or impairing user autonomy, decision making, or choice.

(k) "Deidentified data" means data that cannot reasonably be used to infer information about or otherwise be linked to an identified or identifiable natural person or a device linked to an identified or identifiable natural person, provided that the controller that possesses the data:

(1) takes reasonable measures to ensure that the data cannot be associated with a natural person;

(2) publicly commits to process the data only in a deidentified fashion and not attempt to reidentify the data; and

(3) contractually obligates any recipients of the information to comply with all provisions of this paragraph.

(l) "Delete" means to remove or destroy information so that it is not maintained in human- or machine-readable form and cannot be retrieved or utilized in the ordinary course of business.

(m) "Genetic information" has the meaning given in section 13.386, subdivision 1.

(n) "Identified or identifiable natural person" means a person who can be readily identified, directly or indirectly.

(o) "Known child" means a person under circumstances where a controller has actual knowledge of, or willfully disregards, that the person is under 13 years of age.

(p) "Personal data" means any information that is linked or reasonably linkable to an identified or identifiable natural person. Personal data does not include deidentified data or publicly available information. For purposes of this paragraph, "publicly available information" means information that (1) is lawfully made available from federal, state, or local government records or widely distributed media, or (2) a controller has a reasonable basis to believe has lawfully been made available to the general public.

(q) "Process" or "processing" means any operation or set of operations that are performed on personal data or on sets of personal data, whether or not by automated means, including but not limited to the collection, use, storage, disclosure, analysis, deletion, or modification of personal data.

(r) "Processor" means a natural or legal person who processes personal data on behalf of a controller.

(s) "Profiling" means any form of automated processing of personal data to evaluate, analyze, or predict personal aspects related to an identified or identifiable natural person's economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(t) "Pseudonymous data" means personal data that cannot be attributed to a specific natural person without the use of additional information, provided that the additional information is kept separately and is subject to appropriate technical and organizational measures to ensure that the personal data are not attributed to an identified or identifiable natural person.

(u) "Sale," "sell," or "sold" means the exchange of personal data for monetary or other valuable consideration by the controller to a third party. Sale does not include the following:

(1) the disclosure of personal data to a processor who processes the personal data on behalf of the controller;

(2) the disclosure of personal data to a third party for purposes of providing a product or service requested by the consumer;

(3) the disclosure or transfer of personal data to an affiliate of the controller;

(4) the disclosure of information that the consumer intentionally made available to the general public via a channel of mass media and did not restrict to a specific audience;

(5) the disclosure or transfer of personal data to a third party as an asset that is part of a completed or proposed merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the controller's assets; or

(6) the exchange of personal data between the producer of a good or service and authorized agents of the producer who sell and service the goods and services, to enable the cooperative provisioning of goods and services by both the producer and the producer's agents.

(v) Sensitive data is a form of personal data. "Sensitive data" means:

(1) personal data revealing racial or ethnic origin, religious beliefs, mental or physical health condition or diagnosis, sexual orientation, or citizenship or immigration status;

(2) the processing of biometric data or genetic information for the purpose of uniquely identifying an individual;

(3) the personal data of a known child; or

(4) specific geolocation data.

(w) "Specific geolocation data" means information derived from technology, including but not limited to global positioning system level latitude and longitude coordinates or other mechanisms, that directly identifies the geographic coordinates of a consumer or a device linked to a consumer with an accuracy of more than three decimal degrees of latitude and longitude or the equivalent in

an alternative geographic coordinate system, or a street address derived from the coordinates. Specific geolocation data does not include the content of communications, the contents of databases containing street address information which are accessible to the public as authorized by law, or any data generated by or connected to advanced utility metering infrastructure systems or other equipment for use by a public utility.

(x) "Targeted advertising" means displaying advertisements to a consumer where the advertisement is selected based on personal data obtained or inferred from the consumer's activities over time and across nonaffiliated websites or online applications to predict the consumer's preferences or interests. Targeted advertising does not include:

(1) advertising based on activities within a controller's own websites or online applications;

(2) advertising based on the context of a consumer's current search query or visit to a website or online application;

(3) advertising to a consumer in response to the consumer's request for information or feedback;
or

(4) processing personal data solely for measuring or reporting advertising performance, reach, or frequency.

(y) "Third party" means a natural or legal person, public authority, agency, or body other than the consumer, controller, processor, or an affiliate of the processor or the controller.

(z) "Trade secret" has the meaning given in section 325C.01, subdivision 5.

Sec. 4. **[3250.03] SCOPE; EXCLUSIONS.**

Subdivision 1. **Scope.** (a) This chapter applies to legal entities that conduct business in Minnesota or produce products or services that are targeted to residents of Minnesota, and that satisfy one or more of the following thresholds:

(1) during a calendar year, controls or processes personal data of 100,000 consumers or more, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or

(2) derives over 25 percent of gross revenue from the sale of personal data and processes or controls personal data of 25,000 consumers or more.

(b) A controller or processor acting as a technology provider under section 13.32 shall comply with this chapter and section 13.32, except that when the provisions of section 13.32 conflict with this chapter, section 13.32 prevails.

Subd. 2. **Exclusions.** (a) This chapter does not apply to the following entities, activities, or types of information:

(1) a government entity, as defined by section 13.02, subdivision 7a;

(2) a federally recognized Indian tribe;

(3) information that meets the definition of:

(i) protected health information, as defined by and for purposes of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) health records, as defined in section 144.291, subdivision 2;

(iii) patient identifying information for purposes of Code of Federal Regulations, title 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

(iv) identifiable private information for purposes of the federal policy for the protection of human subjects, Code of Federal Regulations, title 45, part 46; identifiable private information that is otherwise information collected as part of human subjects research pursuant to the good clinical practice guidelines issued by the International Council for Harmonisation; the protection of human subjects under Code of Federal Regulations, title 21, parts 50 and 56; or personal data used or shared in research conducted in accordance with one or more of the requirements set forth in this paragraph;

(v) information and documents created for purposes of the federal Health Care Quality Improvement Act of 1986, Public Law 99-660, and related regulations; or

(vi) patient safety work product for purposes of Code of Federal Regulations, title 42, part 3, established pursuant to United States Code, title 42, sections 299b-21 to 299b-26;

(4) information that is derived from any of the health care-related information listed in clause (3), but that has been deidentified in accordance with the requirements for deidentification set forth in Code of Federal Regulations, title 45, part 164;

(5) information originating from, and intermingled to be indistinguishable with, any of the health care-related information listed in clause (3) that is maintained by:

(i) a covered entity or business associate, as defined by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) a health care provider, as defined in section 144.291, subdivision 2; or

(iii) a program or a qualified service organization, as defined by Code of Federal Regulations, title 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

(6) information that is:

(i) maintained by an entity that meets the definition of health care provider under Code of Federal Regulations, title 45, section 160.103, to the extent that the entity maintains the information in the manner required of covered entities with respect to protected health information for purposes of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) included under a limited data set, as described under Code of Federal Regulations, title 45, part 164.514(e), to the extent that the information is used, disclosed, and maintained in the manner specified by that part;

(iii) maintained by, or maintained to comply with the rules or orders of, a self-regulatory organization as defined by United States Code, title 15, section 78c(a)(26); or

(iv) originated from, or intermingled with, information described in clause (9) and that a licensed residential mortgage originator, as defined under section 58.02, subdivision 19, or residential mortgage servicer, as defined under section 58.02, subdivision 20, collects, processes, uses, or maintains in the same manner as required under the laws and regulations specified in clause (9);

(7) information used only for public health activities and purposes, as described in Code of Federal Regulations, title 45, part 164.512;

(8) an activity involving the collection, maintenance, disclosure, sale, communication, or use of any personal data bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, as defined in United States Code, title 15, section 1681a(f), by a furnisher of information, as set forth in United States Code, title 15, section 1681s-2, who provides information for use in a consumer report, as defined in United States Code, title 15, section 1681a(d), and by a user of a consumer report, as set forth in United States Code, title 15, section 1681b, except that information is only excluded under this paragraph to the extent that the activity involving the collection, maintenance, disclosure, sale, communication, or use of the information by the agency, furnisher, or user is subject to regulation under the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x, and the information is not collected, maintained, used, communicated, disclosed, or sold except as authorized by the Fair Credit Reporting Act;

(9) personal data collected, processed, sold, or disclosed pursuant to the federal Gramm-Leach-Bliley Act, Public Law 106-102, and implementing regulations, if the collection, processing, sale, or disclosure is in compliance with that law;

(10) personal data collected, processed, sold, or disclosed pursuant to the federal Driver's Privacy Protection Act of 1994, United States Code, title 18, sections 2721 to 2725, if the collection, processing, sale, or disclosure is in compliance with that law;

(11) personal data regulated by the federal Family Educations Rights and Privacy Act, United States Code, title 20, section 1232g, and implementing regulations;

(12) personal data collected, processed, sold, or disclosed pursuant to the federal Farm Credit Act of 1971, as amended, United States Code, title 12, sections 2001 to 2279cc, and implementing regulations, Code of Federal Regulations, title 12, part 600, if the collection, processing, sale, or disclosure is in compliance with that law;

(13) data collected or maintained:

(i) in the course of an individual acting as a job applicant to or an employee, owner, director, officer, medical staff member, or contractor of a business if the data is collected and used solely within the context of the role;

(ii) as the emergency contact information of an individual under item (i) if used solely for emergency contact purposes; or

(iii) that is necessary for the business to retain to administer benefits for another individual relating to the individual under item (i) if used solely for the purposes of administering those benefits;

(14) personal data collected, processed, sold, or disclosed pursuant to the Minnesota Insurance Fair Information Reporting Act in sections 72A.49 to 72A.505;

(15) data collected, processed, sold, or disclosed as part of a payment-only credit, check, or cash transaction where no data about consumers, as defined in section 325O.02, are retained;

(16) a state or federally chartered bank or credit union, or an affiliate or subsidiary that is principally engaged in financial activities, as described in United States Code, title 12, section 1843(k);

(17) information that originates from, or is intermingled so as to be indistinguishable from, information described in clause (8) and that a person licensed under chapter 56 collects, processes, uses, or maintains in the same manner as is required under the laws and regulations specified in clause (8);

(18) an insurance company, as defined in section 60A.02, subdivision 4, an insurance producer, as defined in section 60K.31, subdivision 6, a third-party administrator of self-insurance, or an affiliate or subsidiary of any entity identified in the clause that is principally engaged in financial activities, as described in United States Code, title 12, section 1843(k), except that this clause does not apply to a person that, alone or in combination with another person, establishes and maintains a self-insurance program that does not otherwise engage in the business of entering into policies of insurance;

(19) a small business, as defined by the United States Small Business Administration under Code of Federal Regulations, title 13, part 121, except that a small business identified in this clause is subject to section 325O.075;

(20) a nonprofit organization that is established to detect and prevent fraudulent acts in connection with insurance; and

(21) an air carrier subject to the federal Airline Deregulation Act, Public Law 95-504, only to the extent that an air carrier collects personal data related to prices, routes, or services and only to the extent that the provisions of the Airline Deregulation Act preempt the requirements of this chapter.

(b) Controllers that are in compliance with the Children's Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and implementing regulations, shall be deemed compliant with any obligation to obtain parental consent under this chapter.

Sec. 5. [325O.04] RESPONSIBILITY ACCORDING TO ROLE.

(a) Controllers and processors are responsible for meeting the respective obligations established under this chapter.

(b) Processors are responsible under this chapter for adhering to the instructions of the controller and assisting the controller to meet the controller's obligations under this chapter. Assistance under this paragraph shall include the following:

(1) taking into account the nature of the processing, the processor shall assist the controller by appropriate technical and organizational measures, insofar as this is possible, for the fulfillment of the controller's obligation to respond to consumer requests to exercise their rights pursuant to section 325O.05; and

(2) taking into account the nature of processing and the information available to the processor, the processor shall assist the controller in meeting the controller's obligations in relation to the security of processing the personal data and in relation to the notification of a breach of the security of the system pursuant to section 325E.61, and shall provide information to the controller necessary to enable the controller to conduct and document any data privacy and protection assessments required by section 325O.08.

(c) A contract between a controller and a processor shall govern the processor's data processing procedures with respect to processing performed on behalf of the controller. The contract shall be binding and clearly set forth instructions for processing data, the nature and purpose of processing, the type of data subject to processing, the duration of processing, and the rights and obligations of both parties. The contract shall also require that the processor:

(1) ensure that each person processing the personal data is subject to a duty of confidentiality with respect to the data; and

(2) engage a subcontractor only (i) after providing the controller with an opportunity to object, and (ii) pursuant to a written contract in accordance with paragraph (e) that requires the subcontractor to meet the obligations of the processor with respect to the personal data.

(d) Taking into account the context of processing, the controller and the processor shall implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk and establish a clear allocation of the responsibilities between the controller and the processor to implement the technical and organizational measures.

(e) Processing by a processor shall be governed by a contract between the controller and the processor that is binding on both parties and that sets out the processing instructions to which the processor is bound, including the nature and purpose of the processing, the type of personal data subject to the processing, the duration of the processing, and the obligations and rights of both parties. The contract shall include the requirements imposed by this paragraph, paragraphs (c) and (d), as well as the following requirements:

(1) at the choice of the controller, the processor shall delete or return all personal data to the controller as requested at the end of the provision of services, unless retention of the personal data is required by law;

(2) upon a reasonable request from the controller, the processor shall make available to the controller all information necessary to demonstrate compliance with the obligations in this chapter; and

(3) the processor shall allow for, and contribute to, reasonable assessments and inspections by the controller or the controller's designated assessor. Alternatively, the processor may arrange for a qualified and independent assessor to conduct, at least annually and at the processor's expense, an assessment of the processor's policies and technical and organizational measures in support of the obligations under this chapter. The assessor must use an appropriate and accepted control standard or framework and assessment procedure for assessments as applicable, and shall provide a report of an assessment to the controller upon request.

(f) In no event shall any contract relieve a controller or a processor from the liabilities imposed on a controller or processor by virtue of controller's or processor's roles in the processing relationship under this chapter.

(g) Determining whether a person is acting as a controller or processor with respect to a specific processing of data is a fact-based determination that depends upon the context in which personal data are to be processed. A person that is not limited in the person's processing of personal data pursuant to a controller's instructions, or that fails to adhere to a controller's instructions, is a controller and not a processor with respect to a specific processing of data. A processor that continues to adhere to a controller's instructions with respect to a specific processing of personal data remains a processor. If a processor begins, alone or jointly with others, determining the purposes and means of the processing of personal data, the processor is a controller with respect to the processing.

Sec. 6. [3250.05] CONSUMER PERSONAL DATA RIGHTS.

Subdivision 1. Consumer rights provided. (a) Except as provided in this chapter, a controller must comply with a request to exercise the consumer rights provided in this subdivision.

(b) A consumer has the right to confirm whether or not a controller is processing personal data concerning the consumer and access the categories of personal data the controller is processing.

(c) A consumer has the right to correct inaccurate personal data concerning the consumer, taking into account the nature of the personal data and the purposes of the processing of the personal data.

(d) A consumer has the right to delete personal data concerning the consumer.

(e) A consumer has the right to obtain personal data concerning the consumer, which the consumer previously provided to the controller, in a portable and, to the extent technically feasible, readily usable format that allows the consumer to transmit the data to another controller without hindrance, where the processing is carried out by automated means.

(f) A consumer has the right to opt out of the processing of personal data concerning the consumer for purposes of targeted advertising, the sale of personal data, or profiling in furtherance of automated decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer.

(g) If a consumer's personal data is profiled in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer, the consumer has the right to question the result of the profiling, to be informed of the reason that the profiling resulted in the decision, and, if feasible, to be informed of what actions the consumer might have taken to secure a different decision and the actions that the consumer might take to secure a different decision

in the future. The consumer has the right to review the consumer's personal data used in the profiling. If the decision is determined to have been based upon inaccurate personal data, taking into account the nature of the personal data and the purposes of the processing of the personal data, the consumer has the right to have the data corrected and the profiling decision reevaluated based upon the corrected data.

(h) A consumer has a right to obtain a list of the specific third parties to which the controller has disclosed the consumer's personal data. If the controller does not maintain the information in a format specific to the consumer, a list of specific third parties to whom the controller has disclosed any consumers' personal data may be provided instead.

Subd. 2. **Exercising consumer rights.** (a) A consumer may exercise the rights set forth in this section by submitting a request, at any time, to a controller specifying which rights the consumer wishes to exercise.

(b) In the case of processing personal data concerning a known child, the parent or legal guardian of the known child may exercise the rights of this chapter on the child's behalf.

(c) In the case of processing personal data concerning a consumer legally subject to guardianship or conservatorship under sections 524.5-101 to 524.5-502, the guardian or the conservator of the consumer may exercise the rights of this chapter on the consumer's behalf.

(d) A consumer may designate another person as the consumer's authorized agent to exercise the consumer's right to opt out of the processing of the consumer's personal data for purposes of targeted advertising and sale under subdivision 1, paragraph (f), on the consumer's behalf. A consumer may designate an authorized agent by way of, among other things, a technology, including but not limited to an Internet link or a browser setting, browser extension, or global device setting, indicating the consumer's intent to opt out of the processing. A controller shall comply with an opt-out request received from an authorized agent if the controller is able to verify, with commercially reasonable effort, the identity of the consumer and the authorized agent's authority to act on the consumer's behalf.

Subd. 3. **Universal opt-out mechanisms.** (a) A controller must allow a consumer to opt out of any processing of the consumer's personal data for the purposes of targeted advertising, or any sale of the consumer's personal data through an opt-out preference signal sent, with the consumer's consent, by a platform, technology, or mechanism to the controller indicating the consumer's intent to opt out of any of the processing or sale. The platform, technology, or mechanism must:

(1) not unfairly disadvantage another controller;

(2) not make use of a default setting, but require the consumer to make an affirmative, freely given, and unambiguous choice to opt out of any of the processing of the consumer's personal data;

(3) be consumer-friendly and easy to use by the average consumer;

(4) be as consistent as possible with any other similar platform, technology, or mechanism required by any federal or state law or regulation; and

(5) enable the controller to accurately determine whether the consumer is a Minnesota resident and whether the consumer has made a legitimate request to opt out of any sale of the consumer's personal data or targeted advertising. For purposes of this paragraph, the use of an Internet protocol address to estimate the consumer's location is sufficient to determine the consumer's residence.

(b) If a consumer's opt-out request is exercised through the platform, technology, or mechanism required under paragraph (a), and the request conflicts with the consumer's existing controller-specific privacy setting or voluntary participation in a controller's bona fide loyalty, rewards, premium features, discounts, or club card program, the controller must comply with the consumer's opt-out preference signal but may also notify the consumer of the conflict and provide the consumer a choice to confirm the controller-specific privacy setting or participation in the controller's program.

(c) The platform, technology, or mechanism required under paragraph (a) is subject to the requirements of subdivision 4.

(d) A controller that recognizes opt-out preference signals that have been approved by other state laws or regulations is in compliance with this subdivision.

Subd. 4. **Controller response to consumer requests.** (a) Except as provided in this chapter, a controller must comply with a request to exercise the rights pursuant to subdivision 1.

(b) A controller must provide one or more secure and reliable means for consumers to submit a request to exercise the consumer rights under this section. The means made available must take into account the ways in which consumers interact with the controller and the need for secure and reliable communication of the requests.

(c) A controller may not require a consumer to create a new account in order to exercise a right, but a controller may require a consumer to use an existing account to exercise the consumer's rights under this section.

(d) A controller must comply with a request to exercise the right in subdivision 1, paragraph (f), as soon as feasibly possible, but no later than 45 days of receipt of the request.

(e) A controller must inform a consumer of any action taken on a request under subdivision 1 without undue delay and in any event within 45 days of receipt of the request. That period may be extended once by 45 additional days where reasonably necessary, taking into account the complexity and number of the requests. The controller must inform the consumer of any extension within 45 days of receipt of the request, together with the reasons for the delay.

(f) If a controller does not take action on a consumer's request, the controller must inform the consumer without undue delay and at the latest within 45 days of receipt of the request of the reasons for not taking action and instructions for how to appeal the decision with the controller as described in subdivision 3.

(g) Information provided under this section must be provided by the controller free of charge, up to twice annually to the consumer. Where requests from a consumer are manifestly unfounded or excessive, in particular because of the repetitive character of the requests, the controller may either charge a reasonable fee to cover the administrative costs of complying with the request, or

refuse to act on the request. The controller bears the burden of demonstrating the manifestly unfounded or excessive character of the request.

(h) A controller is not required to comply with a request to exercise any of the rights under subdivision 1, paragraphs (b) to (h), if the controller is unable to authenticate the request using commercially reasonable efforts. In such cases, the controller may request the provision of additional information reasonably necessary to authenticate the request. A controller is not required to authenticate an opt-out request, but a controller may deny an opt-out request if the controller has a good faith, reasonable, and documented belief that the request is fraudulent. If a controller denies an opt-out request because the controller believes a request is fraudulent, the controller must notify the person who made the request that the request was denied due to the controller's belief that the request was fraudulent and state the controller's basis for that belief.

(i) In response to a consumer request under subdivision 1, a controller must not disclose the following information about a consumer, but must instead inform the consumer with sufficient particularity that the controller has collected that type of information:

- (1) Social Security number;
- (2) driver's license number or other government-issued identification number;
- (3) financial account number;
- (4) health insurance account number or medical identification number;
- (5) account password, security questions, or answers; or
- (6) biometric data.

(j) In response to a consumer request under subdivision 1, a controller is not required to reveal any trade secret.

(k) A controller that has obtained personal data about a consumer from a source other than the consumer may comply with a consumer's request to delete the consumer's personal data pursuant to subdivision 1, paragraph (d), by either:

(1) retaining a record of the deletion request, retaining the minimum data necessary for the purpose of ensuring the consumer's personal data remains deleted from the business's records, and not using the retained data for any other purpose pursuant to the provisions of this chapter; or

(2) opting the consumer out of the processing of personal data for any purpose except for the purposes exempted pursuant to the provisions of this chapter.

Subd. 5. Appeal process required. (a) A controller must establish an internal process whereby a consumer may appeal a refusal to take action on a request to exercise any of the rights under subdivision 1 within a reasonable period of time after the consumer's receipt of the notice sent by the controller under subdivision 3, paragraph (f).

(b) The appeal process must be conspicuously available. The process must include the ease of use provisions in subdivision 3 applicable to submitting requests.

(c) Within 45 days of receipt of an appeal, a controller must inform the consumer of any action taken or not taken in response to the appeal, along with a written explanation of the reasons in support thereof. That period may be extended by 60 additional days where reasonably necessary, taking into account the complexity and number of the requests serving as the basis for the appeal. The controller must inform the consumer of any extension within 45 days of receipt of the appeal, together with the reasons for the delay.

(d) When informing a consumer of any action taken or not taken in response to an appeal pursuant to paragraph (c), the controller must provide a written explanation of the reasons for the controller's decision and clearly and prominently provide the consumer with information about how to file a complaint with the Office of the Attorney General. The controller must maintain records of all appeals and the controller's responses for at least 24 months and shall, upon written request by the attorney general as part of an investigation, compile and provide a copy of the records to the attorney general.

Sec. 7. [3250.06] PROCESSING DEIDENTIFIED DATA OR PSEUDONYMOUS DATA.

(a) This chapter does not require a controller or processor to do any of the following solely for purposes of complying with this chapter:

(1) reidentify deidentified data;

(2) maintain data in identifiable form, or collect, obtain, retain, or access any data or technology, in order to be capable of associating an authenticated consumer request with personal data; or

(3) comply with an authenticated consumer request to access, correct, delete, or port personal data pursuant to section 3250.05, subdivision 1, if all of the following are true:

(i) the controller is not reasonably capable of associating the request with the personal data, or it would be unreasonably burdensome for the controller to associate the request with the personal data;

(ii) the controller does not use the personal data to recognize or respond to the specific consumer who is the subject of the personal data, or associate the personal data with other personal data about the same specific consumer; and

(iii) the controller does not sell the personal data to any third party or otherwise voluntarily disclose the personal data to any third party other than a processor, except as otherwise permitted in this section.

(b) The rights contained in section 3250.05, subdivision 1, paragraphs (b) to (h), do not apply to pseudonymous data in cases where the controller is able to demonstrate any information necessary to identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing the information.

(c) A controller that uses pseudonymous data or deidentified data must exercise reasonable oversight to monitor compliance with any contractual commitments to which the pseudonymous data or deidentified data are subject, and must take appropriate steps to address any breaches of contractual commitments.

(d) A processor or third party must not attempt to identify the subjects of deidentified or pseudonymous data without the express authority of the controller that caused the data to be deidentified or pseudonymized.

(e) A controller, processor, or third party must not attempt to identify the subjects of data that has been collected with only pseudonymous identifiers.

Sec. 8. **[3250.07] RESPONSIBILITIES OF CONTROLLERS.**

Subdivision 1. **Transparency obligations.** (a) Controllers must provide consumers with a reasonably accessible, clear, and meaningful privacy notice that includes:

(1) the categories of personal data processed by the controller;

(2) the purposes for which the categories of personal data are processed;

(3) an explanation of the rights contained in section 3250.05 and how and where consumers may exercise those rights, including how a consumer may appeal a controller's action with regard to the consumer's request;

(4) the categories of personal data that the controller sells to or shares with third parties, if any;

(5) the categories of third parties, if any, with whom the controller sells or shares personal data;

(6) the controller's contact information, including an active email address or other online mechanism that the consumer may use to contact the controller;

(7) a description of the controller's retention policies for personal data; and

(8) the date the privacy notice was last updated.

(b) If a controller sells personal data to third parties, processes personal data for targeted advertising, or engages in profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer, the controller must disclose such processing in the privacy notice and provide access to a clear and conspicuous method outside the privacy notice for a consumer to opt out of the sale, processing, or profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer. This method may include but is not limited to an internet hyperlink clearly labeled "Your Opt-Out Rights" or "Your Privacy Rights" that directly effectuates the opt-out request or takes consumers to a web page where the consumer can make the opt-out request.

(c) The privacy notice must be made available to the public in each language in which the controller provides a product or service that is subject to the privacy notice or carries out activities related to the product or service.

(d) The controller must provide the privacy notice in a manner that is reasonably accessible to and usable by individuals with disabilities.

(e) Whenever a controller makes a material change to the controller's privacy notice or practices, the controller must notify consumers affected by the material change with respect to any prospectively

collected personal data and provide a reasonable opportunity for consumers to withdraw consent to any further materially different collection, processing, or transfer of previously collected personal data under the changed policy. The controller shall take all reasonable electronic measures to provide notification regarding material changes to affected consumers, taking into account available technology and the nature of the relationship.

(f) A controller is not required to provide a separate Minnesota-specific privacy notice or section of a privacy notice if the controller's general privacy notice contains all the information required by this section.

(g) The privacy notice must be posted online through a conspicuous hyperlink using the word "privacy" on the controller's website home page or on a mobile application's app store page or download page. A controller that maintains an application on a mobile or other device shall also include a hyperlink to the privacy notice in the application's settings menu or in a similarly conspicuous and accessible location. A controller that does not operate a website shall make the privacy notice conspicuously available to consumers through a medium regularly used by the controller to interact with consumers, including but not limited to mail.

Subd. 2. Use of data. (a) A controller must limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data are processed, which must be disclosed to the consumer.

(b) Except as provided in this chapter, a controller may not process personal data for purposes that are not reasonably necessary to, or compatible with, the purposes for which the personal data are processed, as disclosed to the consumer, unless the controller obtains the consumer's consent.

(c) A controller shall establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data, including the maintenance of an inventory of the data that must be managed to exercise these responsibilities. The data security practices shall be appropriate to the volume and nature of the personal data at issue.

(d) Except as otherwise provided in this act, a controller may not process sensitive data concerning a consumer without obtaining the consumer's consent, or, in the case of the processing of personal data concerning a known child, without obtaining consent from the child's parent or lawful guardian, in accordance with the requirement of the Children's Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and its implementing regulations, rules, and exemptions.

(e) A controller shall provide an effective mechanism for a consumer, or, in the case of the processing of personal data concerning a known child, the child's parent or lawful guardian, to revoke previously given consent under this subdivision. The mechanism provided shall be at least as easy as the mechanism by which the consent was previously given. Upon revocation of consent, a controller shall cease to process the applicable data as soon as practicable, but not later than 15 days after the receipt of such request.

(f) A controller may not process the personal data of a consumer for purposes of targeted advertising, or sell the consumer's personal data, without the consumer's consent, under circumstances where the controller knows that the consumer is between the ages of 13 and 16.

(g) A controller may not retain personal data that is no longer relevant and reasonably necessary in relation to the purposes for which the data were collected and processed, unless retention of the data is otherwise required by law or permitted under section 3250.09.

Subd. 3. **Nondiscrimination.** (a) A controller shall not process personal data on the basis of a consumer's or a class of consumers' actual or perceived race, color, ethnicity, religion, national origin, sex, gender, gender identity, sexual orientation, familial status, lawful source of income, or disability in a manner that unlawfully discriminates against the consumer or class of consumers with respect to the offering or provision of: housing, employment, credit, or education; or the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation.

(b) A controller may not discriminate against a consumer for exercising any of the rights contained in this chapter, including denying goods or services to the consumer, charging different prices or rates for goods or services, and providing a different level of quality of goods and services to the consumer. This subdivision does not: (1) require a controller to provide a good or service that requires the personal data of a consumer that the controller does not collect or maintain; or (2) prohibit a controller from offering a different price, rate, level, quality, or selection of goods or services to a consumer, including offering goods or services for no fee, if the offering is in connection with a consumer's voluntary participation in a bona fide loyalty, rewards, premium features, discounts, or club card program.

(c) A controller may not sell personal data to a third-party controller as part of a bona fide loyalty, rewards, premium features, discounts, or club card program under paragraph (b) unless:

(1) the sale is reasonably necessary to enable the third party to provide a benefit to which the consumer is entitled;

(2) the sale of personal data to third parties is clearly disclosed in the terms of the program; and

(3) the third party uses the personal data only for purposes of facilitating a benefit to which the consumer is entitled and does not retain or otherwise use or disclose the personal data for any other purpose.

Subd. 4. **Waiver of rights unenforceable.** Any provision of a contract or agreement of any kind that purports to waive or limit in any way a consumer's rights under this chapter is contrary to public policy and is void and unenforceable.

Sec. 9. **[3250.075] REQUIREMENTS FOR SMALL BUSINESSES.**

(a) A small business, as defined by the United States Small Business Administration under Code of Federal Regulations, title 13, part 121, that conducts business in Minnesota or produces products or services that are targeted to residents of Minnesota, must not sell a consumer's sensitive data without the consumer's prior consent.

(b) Penalties and attorney general enforcement procedures under section 3250.10 apply to a small business that violates this section.

Sec. 10. **[3250.08] DATA PRIVACY POLICIES AND DATA PRIVACY PROTECTION ASSESSMENTS.**

(a) A controller must document and maintain a description of the policies and procedures the controller has adopted to comply with this chapter. The description must include, where applicable:

(1) the name and contact information for the controller's chief privacy officer or other individual with primary responsibility for directing the policies and procedures implemented to comply with the provisions of this chapter; and

(2) a description of the controller's data privacy policies and procedures which reflect the requirements in section 325O.07, and any policies and procedures designed to:

(i) reflect the requirements of this chapter in the design of the controller's systems;

(ii) identify and provide personal data to a consumer as required by this chapter;

(iii) establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data, including the maintenance of an inventory of the data that must be managed to exercise the responsibilities under this item;

(iv) limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data are processed;

(v) prevent the retention of personal data that is no longer relevant and reasonably necessary in relation to the purposes for which the data were collected and processed, unless retention of the data is otherwise required by law or permitted under section 325O.09; and

(vi) identify and remediate violations of this chapter.

(b) A controller must conduct and document a data privacy and protection assessment for each of the following processing activities involving personal data:

(1) the processing of personal data for purposes of targeted advertising;

(2) the sale of personal data;

(3) the processing of sensitive data;

(4) any processing activities involving personal data that present a heightened risk of harm to consumers; and

(5) the processing of personal data for purposes of profiling, where the profiling presents a reasonably foreseeable risk of:

(i) unfair or deceptive treatment of, or disparate impact on, consumers;

(ii) financial, physical, or reputational injury to consumers;

(iii) a physical or other intrusion upon the solitude or seclusion, or the private affairs or concerns, of consumers, where the intrusion would be offensive to a reasonable person; or

(iv) other substantial injury to consumers.

(c) A data privacy and protection assessment must take into account the type of personal data to be processed by the controller, including the extent to which the personal data are sensitive data, and the context in which the personal data are to be processed.

(d) A data privacy and protection assessment must identify and weigh the benefits that may flow directly and indirectly from the processing to the controller, consumer, other stakeholders, and the public against the potential risks to the rights of the consumer associated with the processing, as mitigated by safeguards that can be employed by the controller to reduce the potential risks. The use of deidentified data and the reasonable expectations of consumers, as well as the context of the processing and the relationship between the controller and the consumer whose personal data will be processed, must be factored into this assessment by the controller.

(e) A data privacy and protection assessment must include the description of policies and procedures required by paragraph (a).

(f) As part of a civil investigative demand, the attorney general may request, in writing, that a controller disclose any data privacy and protection assessment that is relevant to an investigation conducted by the attorney general. The controller must make a data privacy and protection assessment available to the attorney general upon a request made under this paragraph. The attorney general may evaluate the data privacy and protection assessments for compliance with this chapter. Data privacy and protection assessments are classified as nonpublic data, as defined by section 13.02, subdivision 9. The disclosure of a data privacy and protection assessment pursuant to a request from the attorney general under this paragraph does not constitute a waiver of the attorney-client privilege or work product protection with respect to the assessment and any information contained in the assessment.

(g) Data privacy and protection assessments or risk assessments conducted by a controller for the purpose of compliance with other laws or regulations may qualify under this section if the assessments have a similar scope and effect.

(h) A single data protection assessment may address multiple sets of comparable processing operations that include similar activities.

Sec. 11. **[3250.09] LIMITATIONS AND APPLICABILITY.**

(a) The obligations imposed on controllers or processors under this chapter do not restrict a controller's or a processor's ability to:

(1) comply with federal, state, or local laws, rules, or regulations, including but not limited to data retention requirements in state or federal law notwithstanding a consumer's request to delete personal data;

(2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, local, or other governmental authorities;

(3) cooperate with law enforcement agencies concerning conduct or activity that the controller or processor reasonably and in good faith believes may violate federal, state, or local laws, rules, or regulations;

(4) investigate, establish, exercise, prepare for, or defend legal claims;

(5) provide a product or service specifically requested by a consumer, perform a contract to which the consumer is a party, including fulfilling the terms of a written warranty, or take steps at the request of the consumer prior to entering into a contract;

(6) take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or of another natural person, and where the processing cannot be manifestly based on another legal basis;

(7) prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute those responsible for any such action;

(8) assist another controller, processor, or third party with any of the obligations under this paragraph;

(9) engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws and is approved, monitored, and governed by an institutional review board, human subjects research ethics review board, or a similar independent oversight entity which has determined that:

(i) the research is likely to provide substantial benefits that do not exclusively accrue to the controller;

(ii) the expected benefits of the research outweigh the privacy risks; and

(iii) the controller has implemented reasonable safeguards to mitigate privacy risks associated with research, including any risks associated with reidentification; or

(10) process personal data for the benefit of the public in the areas of public health, community health, or population health, but only to the extent that the processing is:

(i) subject to suitable and specific measures to safeguard the rights of the consumer whose personal data is being processed; and

(ii) under the responsibility of a professional individual who is subject to confidentiality obligations under federal, state, or local law.

(b) The obligations imposed on controllers or processors under this chapter do not restrict a controller's or processor's ability to collect, use, or retain data to:

(1) effectuate a product recall or identify and repair technical errors that impair existing or intended functionality;

(2) perform internal operations that are reasonably aligned with the expectations of the consumer based on the consumer's existing relationship with the controller, or are otherwise compatible with processing in furtherance of the provision of a product or service specifically requested by a consumer or the performance of a contract to which the consumer is a party; or

(3) conduct internal research to develop, improve, or repair products, services, or technology.

(c) The obligations imposed on controllers or processors under this chapter do not apply where compliance by the controller or processor with this chapter would violate an evidentiary privilege under Minnesota law and do not prevent a controller or processor from providing personal data concerning a consumer to a person covered by an evidentiary privilege under Minnesota law as part of a privileged communication.

(d) A controller or processor that discloses personal data to a third-party controller or processor in compliance with the requirements of this chapter is not in violation of this chapter if the recipient processes the personal data in violation of this chapter, provided that at the time of disclosing the personal data, the disclosing controller or processor did not have actual knowledge that the recipient intended to commit a violation. A third-party controller or processor receiving personal data from a controller or processor in compliance with the requirements of this chapter is not in violation of this chapter for the obligations of the controller or processor from which the third-party controller or processor receives the personal data.

(e) Obligations imposed on controllers and processors under this chapter shall not:

(1) adversely affect the rights or freedoms of any persons, including exercising the right of free speech pursuant to the First Amendment of the United States Constitution; or

(2) apply to the processing of personal data by a natural person in the course of a purely personal or household activity.

(f) Personal data that are processed by a controller pursuant to this section may be processed solely to the extent that the processing is:

(1) necessary, reasonable, and proportionate to the purposes listed in this section;

(2) adequate, relevant, and limited to what is necessary in relation to the specific purpose or purposes listed in this section; and

(3) insofar as possible, taking into account the nature and purpose of processing the personal data, subjected to reasonable administrative, technical, and physical measures to protect the confidentiality, integrity, and accessibility of the personal data, and to reduce reasonably foreseeable risks of harm to consumers.

(g) If a controller processes personal data pursuant to an exemption in this section, the controller bears the burden of demonstrating that the processing qualifies for the exemption and complies with the requirements in paragraph (f).

(h) Processing personal data solely for the purposes expressly identified in paragraph (a), clauses (1) to (7), does not, by itself, make an entity a controller with respect to the processing.

Sec. 12. [3250.10] ATTORNEY GENERAL ENFORCEMENT.

(a) In the event that a controller or processor violates this chapter, the attorney general, prior to filing an enforcement action under paragraph (b), must provide the controller or processor with a warning letter identifying the specific provisions of this chapter the attorney general alleges have

been or are being violated. If, after 30 days of issuance of the warning letter, the attorney general believes the controller or processor has failed to cure any alleged violation, the attorney general may bring an enforcement action under paragraph (b). This paragraph expires January 31, 2026.

(b) The attorney general may bring a civil action against a controller or processor to enforce a provision of this chapter in accordance with section 8.31. If the state prevails in an action to enforce this chapter, the state may, in addition to penalties provided by paragraph (c) or other remedies provided by law, be allowed an amount determined by the court to be the reasonable value of all or part of the state's litigation expenses incurred.

(c) Any controller or processor that violates this chapter is subject to an injunction and liable for a civil penalty of not more than \$7,500 for each violation.

(d) Nothing in this chapter establishes a private right of action, including under section 8.31, subdivision 3a, for a violation of this chapter or any other law.

Sec. 13. **[3250.11] PREEMPTION OF LOCAL LAW; SEVERABILITY.**

(a) This chapter supersedes and preempts laws, ordinances, regulations, or the equivalent adopted by any local government regarding the processing of personal data by controllers or processors.

(b) If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

Sec. 14. **EFFECTIVE DATE.**

This article is effective July 31, 2025, except that postsecondary institutions regulated by the Office of Higher Education are not required to comply with this article until July 31, 2029.

ARTICLE 3

COMMERCE POLICY

Section 1. Minnesota Statutes 2022, section 45.0135, subdivision 7, is amended to read:

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13. ~~The assessment is calculated to be an amount up to the following~~ Beginning with the payment due on or before June 1, 2024, the assessment amount is:

Total Assets	Assessment
	<u>200</u>
Less than \$100,000,000	\$ <u>400</u>
	<u>750</u>
\$100,000,000 to \$1,000,000,000	\$ <u>1,500</u>

		2,000
Over \$1,000,000,000	\$	<u>4,000</u>
Minnesota Written Premium		Assessment
		200
Less than \$10,000,000	\$	<u>400</u>
		750
\$10,000,000 to \$100,000,000	\$	<u>1,500</u>
		2,000
Over \$100,000,000	\$	<u>4,000</u>

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

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

Sec. 2. [58B.051] REGISTRATION FOR LENDERS.

(a) Beginning January 1, 2025, a lender must register with the commissioner as a lender before providing services in Minnesota. A lender must not offer or make a student loan to a resident of Minnesota without first registering with the commissioner as provided in this section.

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

(3) the names of all officers, directors, partners, and owners of controlling interests in the lender;

(4) the addresses of all officers, directors, partners, and owners of controlling interests in the lender; and

(5) any other information the commissioner requires by rule.

(c) A lender must renew the lender's registration on an annual basis and may be required to pay a fee at the time of renewal.

(d) The commissioner may adopt and enforce:

(1) registration procedures for lenders, which may include using the Nationwide Multistate Licensing System and Registry;

(2) registration fees for lenders, which may include fees for using the Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

(3) procedures and fees to renew a lender's registration, which may include fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be paid directly by the lender; and

(4) alternate registration procedures and fees for institutions of postsecondary education that offer student loans.

Sec. 3. **[62J.96] ACCESS TO 340B DRUGS.**

Subdivision 1. **Manufacturers.** A manufacturer must not directly or indirectly restrict, prohibit, or otherwise interfere with the delivery of a covered outpatient drug to a pharmacy that is under contract with a 340B covered entity to receive and dispense covered outpatient drugs on behalf of the covered entity, unless the delivery of the drug to the pharmacy is prohibited under the 340B Drug Pricing Program.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "340B covered entity" has the meaning provided in section 340B(a)(4) of the Public Health Service Act.

(c) "Covered outpatient drug" has the meaning provided in section 1927(k) of the Social Security Act.

(d) "Manufacturer" has the meaning provided in section 151.01, subdivision 14a.

Sec. 4. Minnesota Statutes 2022, section 62Q.73, subdivision 3, is amended to read:

Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an enrollee who has received an adverse determination may submit a written request for an external review of the adverse determination, if applicable under section 62Q.68, subdivision 1, or 62M.06, to the commissioner of health if the request involves a health plan company regulated by that commissioner or to the commissioner of commerce if the request involves a health plan company regulated by that commissioner. Notification of the enrollee's right to external review must accompany the denial issued by the insurer. ~~The written request must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner of health or commerce in cases of financial hardship and must be refunded if the adverse determination is completely reversed. No enrollee may be subject to filing fees totaling more than \$75 during a plan year for group coverage or policy year for individual coverage.~~

(b) Nothing in this section requires the commissioner of health or commerce to independently investigate an adverse determination referred for independent external review.

(c) If an enrollee requests an external review, the health plan company must participate in the external review. The cost of the external review ~~in excess of the filing fee described in paragraph (a) shall~~ must be borne by the health plan company.

(d) The enrollee must request external review within six months from the date of the adverse determination.

Sec. 5. Minnesota Statutes 2023 Supplement, section 144.197, is amended to read:

144.197 CANNABIS AND SUBSTANCE MISUSE PREVENTION AND EDUCATION PROGRAMS.

Subdivision 1. **Youth prevention and education program.** The commissioner of health, in consultation with the commissioners of human services and education and in collaboration with local health departments and Tribal health departments, shall conduct a long-term, coordinated ~~education~~ program to raise public awareness about ~~and address the top three~~ substance misuse prevention, treatment options, and recovery options. The program must address 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. **Prevention and education program for pregnant and breastfeeding individuals; and 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 prevention program to educate focused on (1) preventing substance use by pregnant individuals, breastfeeding individuals, and (2) individuals who may become pregnant, and raising public awareness of the risks of substance use while pregnant or breastfeeding. The program must include education 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 prevention and 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. The prevention and education program must also provide resources, including training resources, technical assistance, or educational materials, to local public health home visiting programs, Tribal home visiting programs, and child welfare workers.

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~~ the 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. prevention, education, and recovery programs focusing on substance misuse prevention and treatment options. The programs must include specific cannabis-related initiatives.

Sec. 6. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a permanent record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal or a motor vehicle. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased or acquired and a unique transaction identifier;

(3) a photocopy or electronic scan of the seller's proof of identification including the identification number;

(4) the amount paid and the number of the check or electronic transfer used to purchase or acquire the scrap metal or motor vehicle;

(5) the license plate number and description of the vehicle used by the person when delivering the scrap metal or motor vehicle, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

(6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;

(7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal or motor vehicle was received by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount paid for the scrap metal or motor vehicle;

(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source. The alternative number must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement; ~~and~~

(9) the identity or identifier of the employee completing the transaction; and

(10) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the seller's current license to sell scrap metal copper issued by the commissioner under subdivision 2c.

(b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.

(c) Except for the purchase or acquisition of detached catalytic converters or motor vehicles, no record is required for property purchased or acquired from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed

under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased or acquired at open sale from any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.

(d) The dealer must provide a copy of the receipt required under paragraph (a), clause (7), to the seller in every transaction.

(e) The commissioner of public safety and law enforcement agencies in the jurisdiction where a dealer is located may conduct inspections and audits as necessary to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.

(f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 7. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to read:

Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1, 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the person has a valid license issued by the commissioner under this subdivision.

(b) A seller of scrap metal copper may apply to the commissioner on a form prescribed by the commissioner. The application form must include, at a minimum:

(1) the name, permanent address, telephone number, and date of birth of the applicant; and

(2) an acknowledgment that the applicant obtained the copper by lawful means in the regular course of the applicant's business, trade, or authorized construction work.

(c) Each application must be accompanied by a nonrefundable fee of \$250.

(d) Within 30 days of the date an application is received, the commissioner may require additional information or submissions from an applicant and may obtain any document or information that is reasonably necessary to verify the information contained in the application. Within 90 days after the date a completed application is received, the commissioner must review the application and issue a license if the applicant is deemed qualified under this section. The commissioner may issue a license subject to restrictions or limitations. If the commissioner determines the applicant is not qualified, the commissioner must notify the applicant and must specify the reason for the denial.

(e) A person licensed to perform work pursuant to chapter 326B or issued a Section 608 Technician Certification is deemed to hold a license to sell scrap metal copper.

(f) A license issued under this subdivision is valid for one year. To renew a license, an applicant must submit a completed renewal application on a form prescribed by the commissioner and a renewal fee of \$250. The commissioner may request that a renewal applicant submit additional information to clarify any new information presented in the renewal application. A renewal application submitted after the renewal deadline must be accompanied by a nonrefundable late fee of \$500.

(g) The commissioner may deny a license renewal under this subdivision if:

(1) the commissioner determines that the applicant is in violation of or noncompliant with federal or state law; or

(2) the applicant fails to timely submit a renewal application and the information required under this subdivision.

(h) In lieu of denying a renewal application under paragraph (g), the commissioner may permit the applicant to submit to the commissioner a corrective action plan to cure or correct deficiencies.

(i) The commissioner may suspend, revoke, or place on probation a license issued under this subdivision if:

(1) the applicant engages in fraudulent activity that violates state or federal law;

(2) the commissioner receives consumer complaints that justify an action under this subdivision to protect the safety and interests of consumers;

(3) the applicant fails to pay an application license or renewal fee; or

(4) the applicant fails to comply with a requirement set forth in this subdivision.

(j) This subdivision does not apply to transfers by or to an auctioneer who is in compliance with chapter 330 and acting in the person's official role as an auctioneer to facilitate or conduct an auction of scrap metal.

(k) The commissioner must enforce this subdivision under chapter 45.

Sec. 8. Minnesota Statutes 2023 Supplement, section 342.72, is amended to read:

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~~ commissioner of health 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~~ appropriated to the commissioner of health for purposes of this section 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~~ commissioner of health shall consult with the Governor's Advisory Council on Opioids, Substance Use, and Addiction; the commissioner of human services; and ~~the commissioner of health~~ the Office of Cannabis Management 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~~ year, the ~~office~~ commissioner of health 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."

Delete the title and insert:

"A bill for an act relating to modifying appropriations to the Office of Cannabis Management and the Department of Health; modifying fees assessed by the Department of Commerce; adding the Minnesota Consumer Data Privacy Act; adding and modifying consumer protection provisions; amending Minnesota Statutes 2022, sections 45.0135, subdivision 7; 62Q.73, subdivision 3; 325E.21, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 144.197; 325E.21, subdivision 1b; 342.72; Laws 2023, chapter 63, article 9, sections 5; 10; 15, subdivision 4; 20; proposing coding for new law in Minnesota Statutes, chapters 13; 58B; 62J; proposing coding for new law as Minnesota Statutes, chapter 325O."

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

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 4995: A bill for an act relating to education finance; establishing school district seasonal tax base replacement aid; amending Minnesota Statutes 2022, section 126C.17, by adding a subdivision.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 4995 and that the report from the Committee on Education Finance, shown in the Journal for April 11, 2024, be adopted; that committee recommendation being:

"the bill do pass and be re-referred to the Committee on Taxes". Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 4874: A bill for an act relating to cybersecurity; requiring reporting of cybersecurity incidents impacting public-sector organizations in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 16E.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 4874 and that the report from the Committee on State and Local Government and Veterans, shown in the Journal for April 8, 2024, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety". Amendments adopted. Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 3667: A bill for an act relating to higher education; appropriating money to identify and assist incarcerated individuals with defaulted federal student loans.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 3667 and that the report from the Committee on Higher Education, shown in the Journal for April 15, 2024, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety". Amendments adopted. Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 3561: A bill for an act relating to solid waste; establishing Packaging Waste and Cost Reduction Act; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 3561 and that the report from the Committee on Environment, Climate, and Legacy, shown in the Journal for April 15, 2024, be adopted; that committee recommendation being:

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

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 4890: A bill for an act relating to state government; ratifying certain compensation plans.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 4890 and that the report from the Committee on State and Local Government and Veterans, shown in the Journal for April 15, 2024, be adopted; that committee recommendation being:

"the bill do pass". Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 4985: A bill for an act relating to taxation; property; modifying distribution of excess proceeds from sales of tax-forfeited property; providing grants for environmental remediation of tax-forfeited property; appropriating money; amending Minnesota Statutes 2022, sections 281.23, subdivision 2; 282.01, by adding subdivisions; 282.08; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 4985 and that the report from the Committee on Environment, Climate, and Legacy, shown in the Journal for April 15, 2024, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety". Amendments adopted. Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 4570: A bill for an act relating to health occupations; establishing guest licensure for marriage and family therapy; establishing fees; amending Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148B.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 4570 and that the report from the Committee on Health and Human Services, shown in the Journal for April 8, 2024, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on State and Local Government and Veterans". Amendments adopted. Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 2394: A bill for an act relating to health occupations; creating a physician assistant licensure compact; proposing coding for new law in Minnesota Statutes, chapter 148.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 2394 and that the report from the Committee on Judiciary and Public Safety, shown in the Journal for April 15, 2024, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on State and Local Government and Veterans". Amendments adopted. Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 5048: A bill for an act relating to natural resources; facilitating carbon sequestration and oil and gas exploration and production leases on state-owned land; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 92.50, subdivision 1; 93.25, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 92; 93.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 5048 and that the report from the Committee on Environment, Climate, and Legacy, shown in the Journal for April 8, 2024, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on State and Local Government and Veterans". Amendments adopted. Report adopted.

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

H.F. No. 1989 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
1989	2003

CONSENT CALENDAR

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

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1989 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1989, the fourth engrossment; and insert the language after the enacting clause of S.F. No. 2003, the second engrossment; further, delete the title of H.F. No. 1989, the fourth engrossment; and insert the title of S.F. No. 2003, the second engrossment.

And when so amended H.F. No. 1989 will be identical to S.F. No. 2003, and further recommends that H.F. No. 1989 be given its second reading and substituted for S.F. No. 2003, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 3376 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
3376	3400

CONSENT CALENDAR

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

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3376 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3376, the first engrossment; and insert the language after the enacting clause of S.F. No. 3400, the first engrossment; further, delete the title of H.F. No. 3376, the first engrossment; and insert the title of S.F. No. 3400, the first engrossment.

And when so amended H.F. No. 3376 will be identical to S.F. No. 3400, and further recommends that H.F. No. 3376 be given its second reading and substituted for S.F. No. 3400, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 3438 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
3438	3537

CONSENT CALENDAR

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

H.F. No.	S.F. No.
----------	----------

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3438 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3438, the second engrossment; and insert the language after the enacting clause of S.F. No. 3537, the first engrossment; further, delete the title of H.F. No. 3438, the second engrossment; and insert the title of S.F. No. 3537, the first engrossment.

And when so amended H.F. No. 3438 will be identical to S.F. No. 3537, and further recommends that H.F. No. 3438 be given its second reading and substituted for S.F. No. 3537, and that the Senate File be indefinitely postponed.

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

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

S.F. No. 5116: A bill for an act relating to state government; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; modifying appropriation; amending Laws 2023, chapter 40, article 3, sections 2, subdivision 1; 3; 4.

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

Page 1, line 22, delete "180,711,000" and insert "192,711,000"

Page 9, line 5, delete "89,294,000" and insert "101,294,000"

Page 18, line 6, delete "first" and insert "second"

Page 19, after line 32, insert:

"(aa) Protecting Upper Mississippi River from Invasive Carp

\$12,000,000 the second year is to the commissioner of natural resources to fund activities to protect the Upper Mississippi River from invasive carp. Activities within this appropriation include agreements with federal partners, such as the United States Fish and Wildlife Service, to design, construct, and begin the operation and maintenance of a structural deterrent for invasive carp at Lock and Dam No. 5 on the Mississippi River to protect Minnesota's

aquatic habitat through an adaptive management approach. Deterrent design must be fully completed within two years of the date of this appropriation. Deterrent installation must be completed by June 30, 2029. Funds not spent or obligated for design installation and operation of the deterrent may be used for testing technologies to support the future effectiveness of the deterrent. A detailed accomplishment plan must be submitted to and approved by the Lessard-Sams Outdoor Heritage Council prior to release of funds. This appropriation is available until June 30, 2029."

Page 24, after line 16, insert:

"(c) The availability of the appropriation in Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (o), Restoring Upper Mississippi River at Lake Pepin, is extended to June 30, 2028."

Page 40, line 15, delete "1,845,000" and insert "1,895,000"

Page 41, after line 2, insert:

"(d) Capri Theater

\$200,000 in the second year is for a grant to Capri Theater to enrich and expand youth and adult arts programming and effective arts and educational offerings for youth, families, and emerging and accomplished artists."

Page 42, delete lines 16 to 25

Reletter the paragraphs in sequence

Page 42, line 29, delete "3,776,000" and insert "3,726,000"

Page 43, line 24, delete "\$2,700,000" and insert "\$2,500,000"

Page 45, after line 15, insert:

"(e) Art From the Inside

\$150,000 the second year is for a grant to Art From the Inside to use the arts, including but not limited to visual art, poetry, literature,

theater, dance, and music, to address the supportive, therapeutic, and rehabilitative needs of incarcerated persons and persons on supervised release and promote a safer correctional facility and community environment."

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

Senator Champion from the Committee on Jobs and Economic Development, to which was referred

S.F. No. 5289: A bill for an act relating to economic development; making supplemental budget adjustments for the Department of Employment and Economic Development; appropriating money; amending Minnesota Statutes 2023 Supplement, section 116L.43, subdivision 1; Laws 2023, chapter 53, article 20, section 2, subdivisions 4, 6; article 21, section 6; repealing Minnesota Statutes 2022, section 116J.439.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1
APPROPRIATIONS**

Section 1. **APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2023, chapter 53, or 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.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioners of the agencies receiving grant appropriations in this article may not use any amount of the grant appropriations for administrative costs unless otherwise appropriated or stated in Minnesota Statutes, section 116J.035, subdivision 7.

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

**Sec. 2. DEPARTMENT OF EMPLOYMENT AND
ECONOMIC DEVELOPMENT**

(ii) 25 percent or more of the households have an income at or below 200 percent of the federal poverty level; and

(2) the relocation of the community butcher shop is as a result of reducing the environmental impact of the city business.

(c) \$300,000 the second year is for a grant to the Black Chamber of Commerce to support business development and economic growth within the African American community in Minnesota. The funds may be used to provide small businesses with technical assistance, workforce training, and development programs to foster entrepreneurship, job creation, and sustainable economic development, particularly in underserved communities. This is a onetime appropriation.

(d) \$300,000 for a grant to the Coalition of Asian American Leaders to support Asian Minnesotan women to start, manage, and grow micro and small businesses. Grant proceeds must be used to support outreach, training, and peer network development; direct financial assistance for Asian Minnesotan women entrepreneurs; and provide technical assistance to gain financial literacy skills, identify and connect individuals to sources of private capital, and navigate state and federal programs to support small business development. This is a onetime appropriation and is available until June 30, 2026.

Subd. 3. Employment and Training Programs \$ 1,075,000 \$ 4,050,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>-0-</u>	<u>250,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>1,075,000</u>	<u>3,800,000</u>

(a) \$700,000 the first year is from the workforce development fund for a grant to the Shakopee Chamber Foundation for the

Shakopee area workforce development scholarship pilot program in article 2, section 9. This is a onetime appropriation and is available until June 30, 2027.

(b) \$250,000 the second year is from the workforce development fund for a grant to Inspire Change Clinic for their health care fellowship program designed to create pathways to medicine for high school and college students interested in pursuing a career in the health care workforce. The health care fellowship program is intended to remove barriers for minority students, foster inclusivity and diversity in the health care sector, and provide valuable opportunities for students, including mentorship programs, access to renowned health institutions in the state of Minnesota, and hands-on work experience. The commissioner must include the number of participants served by the grant and provide information about program outcomes in addition to the reporting requirements in section 12. This is a onetime appropriation.

(c) \$250,000 the second year is from the workforce development fund for a grant to Bolder Options Youth Mentoring Program to provide disadvantaged youth ages 12 to 22 with intensive one-to-one wellness, goal-setting, and academic-focused mentorship; programming that teaches life and job-seeking skills; career and college achievement coaches; and connections to employment, job training, and education opportunities. The grant must serve youth in the Bolder Options program in the Twin Cities and the city of Rochester. The commissioner must include the number of participants served by the grant in addition to the reporting requirements in section 12. This is a onetime appropriation.

(d) \$1,000,000 the second year is from the workforce development fund for a grant to Change Starts With Community for a violence prevention program. Grant money

must be used to establish a comprehensive workforce development initiative, specifically tailored for at-risk youth and adults, located on site at Shiloh Cares Food Shelf in the city of Minneapolis. This is a onetime appropriation.

(e) \$375,000 the first year is from the workforce development fund to the commissioner of employment and economic development to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of fiscal year 2024 and is available in fiscal year 2025. Grants may be used for costs, including but not limited to:

(1) equipment required for a meat cutting program;

(2) facility renovation to accommodate meat cutting; and

(3) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to \$75,000 and may use up to ten percent of the grant for faculty training.

In addition to the reporting requirements in section 12, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance, education finance, and workforce development finance a list of the grants made under this paragraph by county and note the number and amount of grant requests not fulfilled by January 15, 2025. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are

awarded under this paragraph that were not covered in the report due by January 15, 2025, the commissioner must submit an additional report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance, education finance, and workforce development finance regarding all grants issued under this paragraph by November 1, 2025.

Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities institutions or with local industry partners.

The Department of Employment and Economic Development may enter into an interagency agreement with the Department of Agriculture, including agreements to transfer funds, to administer the program.

(f) \$100,000 the second year is from the workforce development fund for a grant to InspireMSP to develop programming to assist middle school-aged children in Minneapolis and St. Paul to develop an interest in and connect with the creative industry in Minnesota. Money must be used for program development and career exploration in the creative industry for historically excluded youth by providing access to essential resources, networks, and hands-on experience at a pivotal stage in their career journey. This is a onetime appropriation.

(g) \$1,000,000 the second year is from the workforce development fund for the commissioner to contract with a vendor of child care business management solutions that provides comprehensive tools and technological support, including:

(1) wraparound business management tools, such as marketing, website creation, enrollment support, automated billing, attendance tracking, tax documentation, daily

activity tracking, family communication, and revenue and expense tracking;

(2) technical assistance to child care providers using software to manage their business;

(3) data dashboards for state and regional monitoring of program implementation, including real-time data;

(4) a Learning Management Solution to guide new providers through the licensing process and a licensing handbook developed specifically for Minnesota requirements;

(5) integration with existing state database systems; and

(6) language access services to meet community needs.

The vendor must provide services free of charge to child care businesses. The commissioner of employment and economic development must develop an application and program materials for child care businesses seeking access to the business management solutions and must distribute licenses to the product to applicants. Among comparable proposals, the commissioner must prioritize businesses providing family child care. This is a onetime appropriation.

(h) \$100,000 the second year is from the workforce development fund to the commissioner of employment and economic development for a grant to Lake County Ambulance Service to establish a training program for Cook County and Lake County high school students interested in pursuing careers as emergency medical technicians. This is a onetime appropriation.

(i) \$350,000 the second year is from the workforce development fund for a grant to the city of Austin to develop and implement training programs for water operators and for wastewater operators. The training

programs are to be offered by Riverland Community College. This is a onetime appropriation and is available until June 30, 2027. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of fiscal year 2025 and is available until June 30, 2027, for any purpose described in this paragraph. Of this amount, the city of Austin may use up to five percent for administration of the program.

The commissioner must provide an annual report by January 5 of each year until January 5, 2028, regarding the use of grant funds to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and higher education. The report must include the number of students enrolled and number of students who have completed courses funded by this appropriation.

(j) \$250,000 the second year is from the workforce development fund for a grant to the Greater Minneapolis Council of Churches for a STEM training and career preparation program targeted at the needs of BIPOC youth. The program shall serve youth who are at least 11 years of age and less than 24 years of age and shall provide career training, job skills development, mentorship, and employment opportunities. This is a onetime appropriation and is available until June 30, 2027.

(k) \$400,000 the second year is from the workforce development fund for a grant to the VoCul workforce development program to address the shortage of skilled culinary professionals in the local food industry. Grant proceeds may be used to provide virtual and hands-on training, practical experience, and connections to jobs, industry professionals, and continuing education. Of this amount, VoCul may use up to five percent for administration of the program. This is a onetime appropriation.

(l) \$100,000 the second year is from the workforce development fund for a grant to the Community Animal Medicine Professionals (CAMP) to provide training, professional development workshops, mentorship and leadership programs, and develop recruitment and retention strategies for the CAMP program at the North Minneapolis Pet Resource Center. This is a onetime appropriation.

(m) \$200,000 the second year is for a grant to YWCA St. Paul for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. Funds in this paragraph must not be used for administrative costs of the program. This is a onetime appropriation. In addition to the reporting requirements in section 10, the commissioner must include the following in the report:

- (1) the rationale for the program;
- (2) the number of people served by the grant;
- (3) the number of people who graduated from the program;
- (4) funds spent per person served and graduated;
- (5) a summary of the intervention strategies and services used in the program; and
- (6) a summary of post-graduation employment, including but not limited to where graduates are employed, how many hours per week they work on average, and their average hourly and annual wages.

(n) \$50,000 the second year is for a grant to Block Builders Foundation. This appropriation must be used for programming targeted toward at-risk youth coaching, financial literacy education, juvenile offender diversion programming, and community outreach. This is a onetime appropriation.

	195,061,000	139,929,000
Subd. 2. Business and Community Development	<u>196,061,000</u>	<u>142,104,000</u>
Appropriations by Fund		
	193,011,000	137,879,000
General	<u>194,011,000</u>	<u>140,054,000</u>
Remediation	700,000	700,000
Workforce Development	1,350,000	1,350,000

(a) \$2,287,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2027.

(b) \$500,000 each year is for grants to small business development centers under Minnesota Statutes, section 116J.68. Money made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, to provide consulting and technical services or to build additional SBDC network capacity to serve entrepreneurs and small businesses.

(c) \$2,500,000 each year is for Launch Minnesota. These are onetime appropriations. Of this amount:

(1) \$1,500,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 each year is for administration of Launch Minnesota; and

(3) \$500,000 each year is for grantee activities at Launch Minnesota.

(d)(1) \$500,000 each year is for grants to MNSBIR, Inc., to support moving scientific excellence and technological innovation from the lab to the market for start-ups and small businesses by securing federal research and

development funding. The purpose of the grant is to build a strong Minnesota economy and stimulate the creation of novel products, services, and solutions in the private sector; strengthen the role of small business in meeting federal research and development needs; increase the commercial application of federally supported research results; and develop and increase the Minnesota workforce, especially by fostering and encouraging participation by small businesses owned by women and people who are Black, Indigenous, or people of color. This is a onetime appropriation.

(2) MNSBIR, Inc., shall use the grant money to be the dedicated resource for federal research and development for small businesses of up to 500 employees statewide to support research and commercialization of novel ideas, concepts, and projects into cutting-edge products and services for worldwide economic impact. MNSBIR, Inc., shall use grant money to:

(i) assist small businesses in securing federal research and development funding, including the Small Business Innovation Research and Small Business Technology Transfer programs and other federal research and development funding opportunities;

(ii) support technology transfer and commercialization from the University of Minnesota, Mayo Clinic, and federal laboratories;

(iii) partner with large businesses;

(iv) conduct statewide outreach, education, and training on federal rules, regulations, and requirements;

(v) assist with scientific and technical writing;

(vi) help manage federal grants and contracts;
and

(vii) support cost accounting and sole-source procurement opportunities.

(e) \$10,000,000 the first year is for the Minnesota Expanding Opportunity Fund Program under Minnesota Statutes, section 116J.8733. This is a onetime appropriation and is available until June 30, 2025.

(f) \$6,425,000 each year is for the small business assistance partnerships program under Minnesota Statutes, section 116J.682. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The department may use up to five percent of the appropriation for administrative purposes. The base for this appropriation is \$2,725,000 in fiscal year 2026 and each year thereafter.

(g) \$350,000 each year is for administration of the community energy transition office.

(h) \$5,000,000 each year is transferred from the general fund to the community energy transition account for grants under Minnesota Statutes, section 116J.55. This is a onetime transfer.

(i) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(j) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(k) \$389,000 each year is for the Center for Rural Policy and Development. The base for this appropriation is \$139,000 in fiscal year 2026 and each year thereafter.

(l) \$25,000 each year is for the administration of state aid for the Destination Medical

Center under Minnesota Statutes, sections 469.40 to 469.47.

(m) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(n) \$6,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. Fifty percent of grant money must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The base for this appropriation is \$1,500,000 in fiscal year 2026 and each year thereafter.

Grant recipients must obtain a 50 percent nonstate match to grant money in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant money available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

Within one year of receiving grant money, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care openings, and the amount of cash and in-kind local money invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the

grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(o) \$500,000 each year is for the Office of Child Care Community Partnerships. Of this amount:

(1) \$450,000 each year is for administration of the Office of Child Care Community Partnerships; and

(2) \$50,000 each year is for the Labor Market Information Office to conduct research and analysis related to the child care industry.

(p) \$3,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations. This appropriation is available until June 30, 2027. The base for this appropriation is \$1,000,000 in fiscal year 2026 and each year thereafter. The Minnesota Initiative Foundations must use grant money under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business

acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

(q) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8748, money appropriated for the job creation fund may be used for redevelopment under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner.

(r) \$12,370,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(s) \$4,246,000 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. The base for this appropriation is \$2,246,000 in fiscal year 2026 and each year thereafter. This appropriation is available until expended.

(t) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Money available under this paragraph is for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(u) \$325,000 ~~each year~~ the first year is for the Minnesota Film and TV Board. The appropriation each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that ~~each~~ the first year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(v) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(w) \$500,000 ~~each year~~ the first year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2027.

(x) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(y) \$1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(z) ~~\$47,475,000~~ \$48,475,000 the first year and \$50,475,000 the second year are ~~each year~~ is for the PROMISE grant program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$475,000 each year is for administration of the PROMISE grant program;

(2) \$7,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota. Of this amount, \$600,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; and

(3) ~~\$39,500,000 each year~~ \$40,500,000 the first year and \$42,500,000 the second year is for grants to the Neighborhood Development Center. Of this amount, the following amounts are designated for the following areas:

(i) \$16,000,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods. Of this amount, \$1,000,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year;

(ii) \$13,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; ~~and~~

(iii) \$10,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; ~~;~~

(iv) \$1,000,000 the first year is for South Minneapolis' Hennepin Avenue Commercial corridor, South Hennepin Community corridor, and Uptown Special Service District; and

(v) \$3,000,000 the second year is for the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, excluding the cities of Minneapolis and St. Paul.

(aa) \$15,150,000 each year is for the PROMISE loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$150,000 each year is for administration of the PROMISE loan program;

(2) \$3,000,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

(3) \$12,000,000 each year is for grants to the Metropolitan Economic Development Association (MEDA). Of this amount, the following amounts are designated for the following areas:

(i) \$4,500,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods;

(ii) \$4,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors; and

(iii) \$3,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods.

(bb) \$1,500,000 each year is for a grant to the Metropolitan Consortium of Community Developers for the community wealth-building grant program pilot project. Of this amount, up to two percent is for

administration and monitoring of the community wealth-building grant program pilot project. This is a onetime appropriation.

(cc) \$250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(dd) \$5,000,000 the first year is for a grant to the Bloomington Port Authority to provide funding for the Expo 2027 host organization. The Bloomington Port Authority must enter into an agreement with the host organization over the use of money, which may be used for activities, including but not limited to finalizing the community dossier and staffing the host organization and for infrastructure design and planning, financial modeling, development planning and coordination of both real estate and public private partnerships, and reimbursement of costs the Bloomington Port Authority incurred. In selecting vendors and exhibitors for Expo 2027, the host organization shall prioritize outreach to, collaboration with, and inclusion of businesses that are majority owned by people of color, women, and people with disabilities. The host organization and Bloomington Port Authority may be reimbursed for expenses 90 days prior to encumbrance. This appropriation is contingent on approval of the project by the Bureau International des Expositions. If the project is not approved by the Bureau International des Expositions, the money shall transfer to the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ee) \$5,000,000 the first year is for a grant to the Neighborhood Development Center for small business programs, including training, lending, business services, and real estate programming; small business incubator

development in the Twin Cities and outside the seven-county metropolitan area; and technical assistance activities for partners outside the seven-county metropolitan area; and for high-risk, character-based loan capital for nonrecourse loans. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ff) \$5,000,000 the first year is for transfer to the emerging developer fund account in the special revenue fund. Of this amount, up to five percent is for administration and monitoring of the emerging developer fund program under Minnesota Statutes, section 116J.9926, and the remainder is for a grant to the Local Initiatives Support Corporation - Twin Cities to serve as a partner organization under the program. This is a onetime appropriation.

(gg) \$5,000,000 the first year is for the Canadian border counties economic relief program under article 5. Of this amount, up to \$1,000,000 is for Tribal economic development and \$2,100,000 is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This is a onetime appropriation and is available until June 30, 2026.

(hh) \$1,000,000 each year is for a grant to African Economic Development Solutions. This is a onetime appropriation and is available until June 30, 2026. Of this amount:

(1) \$500,000 each year is for a loan fund that must address pervasive economic inequities by supporting business ventures of entrepreneurs in the African immigrant community; and

(2) \$250,000 each year is for workforce development and technical assistance, including but not limited to business

development, entrepreneur training, business technical assistance, loan packing, and community development services.

(ii) \$1,500,000 each year is for a grant to the Latino Economic Development Center. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$750,000 each year is to assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations to businesses; and

(2) \$750,000 each year is to guide prospective entrepreneurs in their start-up process by introducing them to key business concepts, including business start-up readiness. Grant proceeds must be used to offer workshops on a variety of topics throughout the year, including finance, customer service, food-handler training, and food-safety certification. Grant proceeds may also be used to provide lending to business startups.

(jj) \$627,000 the first year is for a grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs. Technical assistance grants shall be based on need and given to communities that are otherwise unable to afford these services. Of the amount appropriated, up to \$270,000 may be used for economic development project implementation in conjunction with the technical assistance received. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(kk) \$2,000,000 the first year is for a grant to WomenVenture to:

(1) support child care providers through business training and shared services programs and to create materials that could be used, free of charge, for start-up, expansion, and operation of child care businesses statewide, with the goal of helping new and existing child care businesses in underserved areas of the state become profitable and sustainable; and

(2) support business expansion for women food entrepreneurs throughout Minnesota's food supply chain to help stabilize and strengthen their business operations, create distribution networks, offer technical assistance and support to beginning women food entrepreneurs, develop business plans, develop a workforce, research expansion strategies, and for other related activities.

Eligible uses of the money include but are not limited to:

- (i) leasehold improvements;
- (ii) additions, alterations, remodeling, or renovations to rented space;
- (iii) inventory or supplies;
- (iv) machinery or equipment purchases;
- (v) working capital; and
- (vi) debt refinancing.

Money distributed to entrepreneurs may be loans, forgivable loans, and grants. Of this amount, up to five percent may be used for the WomenVenture's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

By December 15, 2026, WomenVenture must submit a report to the chairs and ranking

minority members of the legislative committees with jurisdiction over agriculture and employment and economic development. The report must include a summary of the uses of the appropriation, including the amount of the appropriation used for administration. The report must also provide a breakdown of the amount of funding used for loans, forgivable loans, and grants; information about the terms of the loans issued; a discussion of how money from repaid loans will be used; the number of entrepreneurs assisted; and a breakdown of how many entrepreneurs received assistance in each county.

(ll) \$2,000,000 the first year is for a grant to African Career, Education, and Resource, Inc., for operational infrastructure and technical assistance to small businesses. This appropriation is available until June 30, 2025.

(mm) \$5,000,000 the first year is for a grant to the African Development Center to provide loans to purchase commercial real estate and to expand organizational infrastructure. This appropriation is available until June 30, 2025. Of this amount:

(1) \$2,800,000 is for loans to purchase commercial real estate targeted at African immigrant small business owners;

(2) \$364,000 is for loan loss reserves to support loan volume growth and attract additional capital;

(3) \$836,000 is for increasing organizational capacity;

(4) \$300,000 is for the safe 2 eat project of inclusive assistance with required restaurant licensing examinations; and

(5) \$700,000 is for a center for community resources for language and technology assistance for small businesses.

(nn) \$7,000,000 the first year is for grants to the Minnesota Initiative Foundations to capitalize their revolving loan funds, which address unmet financing needs of for-profit business start-ups, expansions, and ownership transitions; nonprofit organizations; and developers of housing to support the construction, rehabilitation, and conversion of housing units. Of the amount appropriated:

(1) \$1,000,000 is for a grant to the Southwest Initiative Foundation;

(2) \$1,000,000 is for a grant to the West Central Initiative Foundation;

(3) \$1,000,000 is for a grant to the Southern Minnesota Initiative Foundation;

(4) \$1,000,000 is for a grant to the Northwest Minnesota Foundation;

(5) \$2,000,000 is for a grant to the Initiative Foundation of which \$1,000,000 is for redevelopment of the St. Cloud Youth and Family Center; and

(6) \$1,000,000 is for a grant to the Northland Foundation.

(oo) \$500,000 each year is for a grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership, employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies employing 35 or fewer full-time equivalent employees. This is a onetime appropriation. No later than February 1, 2025, and February 1, 2026, Enterprise Minnesota, Inc., must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development that includes:

(1) the grants awarded during the past 12 months;

(2) the estimated financial impact of the grants awarded to each company receiving services under the program;

(3) the actual financial impact of grants awarded during the past 24 months; and

(4) the total amount of federal funds leveraged from the Manufacturing Extension Partnership at the United States Department of Commerce.

(pp) \$375,000 each year is for a grant to PFund Foundation to provide grants to LGBTQ+-owned small businesses and entrepreneurs. Of this amount, up to five percent may be used for PFund Foundation's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026. To the extent practicable, money must be distributed by PFund Foundation as follows:

(1) at least 33.3 percent to businesses owned by members of racial minority communities; and

(2) at least 33.3 percent to businesses outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(qq) \$125,000 each year is for a grant to Quorum to provide business support, training, development, technical assistance, and related activities for LGBTQ+-owned small businesses that are recipients of a PFund Foundation grant. Of this amount, up to five percent may be used for Quorum's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

(rr) \$5,000,000 the first year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services to minority-owned businesses. This is a onetime

appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) \$3,000,000 is for a revolving loan fund to provide additional minority-owned businesses with access to capital; and

(2) \$2,000,000 is for operating support activities related to business development and assistance services for minority business enterprises.

By February 1, 2025, MEDA shall report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over economic development policy and finance on the loans and operating support activities, including outcomes and expenditures, supported by the appropriation under this paragraph.

(ss) \$2,500,000 each year is for a grant to a Minnesota-based automotive component manufacturer and distributor specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing. The grant recipient under this paragraph shall submit reports on the uses of the money appropriated, the number of jobs created due to the appropriation, wage information, and the city and state in which the additional manufacturing activity was located to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development. An initial report shall be submitted by December 15, 2023, and a final report is due by December 15, 2025. This is a onetime appropriation.

(tt)(1) \$125,000 each year is for grants to the Latino Chamber of Commerce Minnesota to support the growth and expansion of small businesses statewide. Funds may be used for the cost of programming, outreach, staffing, and supplies. This is a onetime appropriation.

(2) By January 15, 2026, the Latino Chamber of Commerce Minnesota must submit a report to the legislative committees with jurisdiction over economic development that details the use of grant funds and the grant's economic impact.

(uu) \$175,000 the first year is for a grant to the city of South St. Paul to study options for repurposing the 1927 American Legion Memorial Library after the property is no longer used as a library. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(vv) \$250,000 the first year is for a grant to LatinoLEAD for organizational capacity-building.

(ww) \$80,000 the first year is for a grant to the Neighborhood Development Center for small business competitive grants to software companies working to improve employee engagement and workplace culture and to reduce turnover.

(xx)(1) \$3,000,000 in the first year is for a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies that respond to the needs of underserved populations statewide. This may include forgivable loans, revenue-based financing, and equity investments for entrepreneurs with barriers to growth. Of this amount, up to five percent may be used for the center's technical assistance and administrative costs. This appropriation is available until June 30, 2025.

(2) By January 15, 2026, the Center for Economic Inclusion shall submit a report on the use of grant funds, including any loans made, to the legislative committees with jurisdiction over economic development.

(yy) \$500,000 each year is for a grant to the Asian Economic Development Association

for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This is a onetime appropriation.

(zz) \$500,000 each year is for a grant to Isuroon to support primarily African immigrant women with entrepreneurial training to start, manage, and grow self-sustaining microbusinesses, develop incubator space for these businesses, and provide support with financial and language literacy, systems navigation to eliminate capital access disparities, marketing, and other technical assistance. This is a onetime appropriation.

Sec. 6. Laws 2023, chapter 53, article 20, section 2, subdivision 3, is amended to read:

Subd. 3. Employment and Training Programs	112,038,000	104,499,000
Appropriations by Fund		
	2024	2025
General	91,036,000	83,497,000
Workforce Development	21,002,000	21,002,000

(a) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(b) \$25,000,000 each year is for the targeted population workforce grants under Minnesota Statutes, section 116L.43. The department may use up to five percent of this appropriation for administration, monitoring, and oversight of the program. Of this amount:

(1) \$18,500,000 each year is for job and entrepreneurial skills training grants under Minnesota Statutes, section 116L.43, subdivision 2;

(2) \$1,500,000 each year is for diversity and inclusion training for small employers under

Minnesota Statutes, section 116L.43, subdivision 3; and

(3) \$5,000,000 each year is for capacity building grants under Minnesota Statutes, section 116L.43, subdivision 4.

The base for this appropriation is \$1,275,000 in fiscal year 2026 and each year thereafter.

(c) \$750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program.

(d) \$10,000,000 each year is for the Drive for Five Initiative to conduct outreach and provide job skills training, career counseling, case management, and supportive services for careers in (1) technology, (2) labor, (3) the caring professions, (4) manufacturing, and (5) educational and professional services. This is a onetime appropriation.

(e) Of the amounts appropriated in paragraph (d), the commissioner must make \$7,000,000 each year available through a competitive request for proposal process. The grant awards must be used to provide education and training in the five industries identified in paragraph (d). Education and training may include:

(1) student tutoring and testing support services;

(2) training and employment placement in high wage and high growth employment;

(3) assistance in obtaining industry-specific certifications;

(4) remedial training leading to enrollment in employment training programs or services;

(5) real-time work experience;

- (6) career and educational counseling;
- (7) work experience and internships; and
- (8) supportive services.

(f) Of the amount appropriated in paragraph (d), \$2,000,000 each year must be awarded through competitive grants made to trade associations or chambers of commerce for job placement services. Grant awards must be used to encourage workforce training efforts to ensure that efforts are aligned with employer demands and that graduates are connected with employers that are currently hiring. Trade associations or chambers must partner with employers with current or anticipated employment opportunities and nonprofit workforce training partners participating in this program. The trade associations or chambers must work closely with the industry sector training providers in the five industries identified in paragraph (d). Grant awards may be used for:

- (1) employer engagement strategies to align employment opportunities for individuals exiting workforce development training programs. These strategies may include business recruitment, job opening development, employee recruitment, and job matching. Trade associations must utilize the state's labor exchange system;
- (2) diversity, inclusion, and retention training of their members to increase the business' understanding of welcoming and retaining a diverse workforce; and
- (3) industry-specific training.

(g) Of the amount appropriated in paragraph (d), \$1,000,000 each year is to hire, train, and deploy business services representatives in local workforce development areas throughout the state. Business services representatives must work with an assigned local workforce development area to address

the hiring needs of Minnesota's businesses by connecting job seekers and program participants in the CareerForce system. Business services representatives serve in the classified service of the state and operate as part of the agency's Employment and Training Office. The commissioner shall develop and implement training materials and reporting and evaluation procedures for the activities of the business services representatives. The business services representatives must:

(1) serve as the primary contact for businesses in that area;

(2) actively engage employers by assisting with matching employers to job seekers by referring candidates, convening job fairs, and assisting with job announcements; and

(3) work with the local area board and its partners to identify candidates for openings in small and midsize companies in the local area.

(h) \$2,546,000 each year from the general fund and \$4,604,000 each year from the workforce development fund are for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program.

(i) \$500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

(j) \$1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for

administration and monitoring of the program.

(k) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

(l) \$750,000 each year from the general fund and \$6,698,000 each year from the workforce development fund are for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The base for this appropriation is \$750,000 from the general fund and \$3,348,000 from the workforce development fund beginning in fiscal year 2026 and each year thereafter.

(m) \$1,093,000 each year is from the general fund and \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. The base for this appropriation is \$1,000,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(n) \$4,511,000 each year from the general fund and \$4,050,000 each year from the workforce development fund are for the Minnesota youth program under Minnesota

Statutes, sections 116L.56 and 116L.561. The base for this appropriation is \$0 from the general fund and \$4,050,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(o) \$750,000 each year is for the Office of New Americans under Minnesota Statutes, section 116J.4231.

(p) \$1,000,000 each year from the workforce development fund is for a grant to the Minnesota Technology Association to support the SciTech internship program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their fields of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 325 students must be matched each year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$3,000 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(q) \$750,000 each year is for grants to the Minneapolis Park and Recreation Board's Teen Teamworks youth employment and training programs. This is a onetime appropriation and available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(r) \$900,000 each year is for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. Of this amount, up to

\$250,000 each year is for a grant to Avivo to provide resources and support services to survivors of sex trafficking and domestic abuse in the greater St. Cloud area as they search for employment. Program resources include but are not limited to costs for day care, transportation, housing, legal advice, procuring documents required for employment, interview clothing, technology, and Internet access. The program shall also include public outreach and corporate training components to communicate to the public and potential employers about the specific struggles faced by survivors as they re-enter the workforce. This is a onetime appropriation.

(s) \$1,000,000 each year is for the getting to work grant program under Minnesota Statutes, section 116J.545. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(t) \$400,000 each year is for a grant to the nonprofit 30,000 Feet to fund youth apprenticeship jobs, wraparound services, after-school programming, and summer learning loss prevention efforts targeted at African American youth. This is a onetime appropriation.

(u) \$463,000 the first year is for a grant to the Boys and Girls Club of Central Minnesota. This is a onetime appropriation. Of this amount:

(1) \$313,000 is to fund one year of free full-service programming for a new program in Waite Park that will employ part-time youth development staff and provide community volunteer opportunities for people of all ages. Career exploration and life skills programming will be a significant dimension of programming at this new site; and

(2) \$150,000 is for planning and design for a new multiuse facility for the Boys and Girls Club of Waite Park and other community partners, including the Waite Park Police Department and the Whitney Senior Center.

(v) \$1,000,000 each year is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience, including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(w) \$1,000,000 the first year is for a grant to the Owatonna Area Chamber of Commerce Foundation for the Learn and Earn Initiative to help the Owatonna and Steele County region grow and retain a talented workforce. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$900,000 is to develop an advanced manufacturing career pathway program for youth and adult learners with shared learning spaces, state-of-the-art equipment, and instructional support to grow and retain talent in Owatonna; and

(2) \$100,000 is to create the Owatonna Opportunity scholarship model for the Learn and Earn Initiative for students and employers.

(x) \$250,000 each year from the workforce development fund is for a grant to the White Bear Center for the Arts for establishing a paid internship program for high school students to learn professional development

skills through an arts perspective. This is a onetime appropriation.

(y) \$250,000 each year is for the Minnesota Family Resiliency Partnership under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the money to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(z) \$600,000 each year is for a grant to East Side Neighborhood Services. This is a onetime appropriation of which:

(1) \$300,000 each year is for the senior community service employment program, which provides work readiness training to low-income adults ages 55 and older to provide ongoing support and mentoring services to the program participants as well as the transition period from subsidized wages to unsubsidized wages; and

(2) \$300,000 each year is for the nursing assistant plus program to serve the increased need for growth of medical talent pipelines through expansion of the existing program and development of in-house training.

The amounts specified in clauses (1) and (2) may also be used to enhance employment programming for youth and young adults, ages 14 to 24, to introduce them to work culture, develop essential work readiness skills, and make career plans through paid internship experiences and work readiness training.

(aa) \$1,500,000 each year from the workforce development fund is for a grant to Ujamaa Place to assist primarily African American men with job training, employment preparation, internships, education, vocational housing, and organizational capacity building. This is a onetime appropriation.

(bb) \$500,000 each year is for a grant to Comunidades Organizando el Poder y la Acción Latina (COPAL) for worker center programming that supports primarily low-income, migrant, and Latinx workers with career planning, workforce training and education, workers' rights advocacy, health resources and navigation, and wealth creation resources. This is a onetime appropriation.

(cc) \$2,000,000 each year is for a grant to Propel Nonprofits to provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities. Propel Nonprofits may only award grants to nonprofit organizations that have an annual organizational budget of less than \$1,000,000. These grants may be used for:

(1) organizational infrastructure improvements, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creating or expanding partnerships with existing organizations that have specialized expertise in order to increase capacity of the grantee organization to improve services to the community.

Of this amount, up to five percent may be used by Propel Nonprofits for administrative costs. This is a onetime appropriation.

(dd) \$1,000,000 each year is for a grant to Goodwill Easter Seals Minnesota and its partners. The grant must be used to continue the FATHER Project in Rochester, St. Cloud, St. Paul, Minneapolis, and the surrounding

areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally, including with community re-entry following confinement. This is a onetime appropriation.

(ee) \$250,000 the first year is for a grant to the ProStart and Hospitality Tourism Management Program for a well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry.

(ff) \$450,000 each year is for grants to Minnesota Diversified Industries to provide inclusive employment opportunities and services for people with disabilities. This is a onetime appropriation.

(gg) \$1,000,000 the first year is for a grant to Minnesota Diversified Industries to assist individuals with disabilities through the unified work model by offering virtual and in-person career skills classes augmented with virtual reality tools. Minnesota Diversified Industries shall submit a report on the number and demographics of individuals served, hours of career skills programming delivered, outreach to employers, and recommendations for future career skills delivery methods to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and workforce development policy and finance by January 15, 2026. This is a onetime appropriation and is available until June 30, 2025.

(hh) \$1,264,000 each year is for a grant to Summit Academy OIC to expand employment placement, GED preparation and administration, and STEM programming in the Twin Cities, Saint Cloud, and Bemidji. This is a onetime appropriation.

(ii) \$500,000 each year is for a grant to Minnesota Independence College and Community to provide employment preparation, job placement, job retention, and service coordination services to adults with autism and learning differences. This is a onetime appropriation.

(jj) \$1,000,000 the first year and \$2,000,000 the second year are for a clean economy equitable workforce grant program. Money must be used for grants to support partnership development, planning, and implementation of workforce readiness programs aimed at workers who are Black, Indigenous, and People of Color. Programs must include workforce training, career development, workers' rights training, employment placement, and culturally appropriate job readiness and must prepare workers for careers in the high-demand fields of construction, clean energy, and energy efficiency. Grants must be given to nonprofit organizations that serve historically disenfranchised communities, including new Americans, with preference for organizations that are new providers of workforce programming or which have partnership agreements with registered apprenticeship programs. This is a onetime appropriation.

(kk) \$350,000 the first year and \$25,000 the second year are for a grant to the University of Minnesota Tourism Center for the creation and operation of an online hospitality training program in partnership with Explore Minnesota Tourism. This training program must be made available at no cost to Minnesota residents in an effort to address critical workforce shortages in the hospitality and tourism industries and assist in career development. The base for this appropriation is \$25,000 in fiscal year 2026 and each year thereafter for ongoing system maintenance, management, and content updates.

(ll) \$3,000,000 the first year is for competitive grants to support high school

robotics teams and prepare youth for careers in STEM fields. Of this amount, \$2,000,000 is for creating internships for high school students to work at private companies in STEM fields, including the payment of student stipends. This is a onetime appropriation and is available until June 30, 2028.

(mm) \$750,000 each year is for grants to the nonprofit Sanneh Foundation to fund out-of-school and summer programs focused on mentoring and behavioral, social, and emotional learning interventions and enrichment activities directed toward low-income students of color. This is a onetime appropriation and available until June 30, 2026.

(nn) \$1,000,000 each year is for a grant to the Hmong American Partnership to expand job training and placement programs primarily serving the Southeast Asian community. This is a onetime appropriation.

(oo) \$1,000,000 each year is for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals. Grant money must support short-term certifications and transferable skills in high-demand fields, workforce readiness, customized financial capability, and employment supports. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(pp) \$300,000 each year is for a grant to All Square. The grant must be used to support the operations of All Square's Fellowship and Prison to Law Pipeline programs which operate in Minneapolis, St. Paul, and surrounding correctional facilities to assist incarcerated and formerly incarcerated Minnesotans in overcoming employment

barriers that prevent economic and emotional freedom. This is a onetime appropriation.

(qq) \$1,000,000 each year is for a grant to the Redemption Project to provide employment services to adults leaving incarceration, including recruiting, educating, training, and retaining employment mentors and partners. This is a onetime appropriation.

(rr) \$500,000 each year is for a grant to Greater Twin Cities United Way to make grants to partner organizations to provide workforce training using the career pathways model that helps students gain work experience, earn experience in high-demand fields, and transition into family-sustaining careers. This is a onetime appropriation.

(ss) \$3,000,000 each year is for a grant to Community Action Partnership of Hennepin County. This is a onetime appropriation. Of this amount:

(1) \$1,500,000 each year is for grants to 21 Days of Peace for social equity building and community engagement activities; and

(2) \$1,500,000 each year is for grants to A Mother's Love for community outreach, empowerment training, and employment and career exploration services.

(tt) \$750,000 each year is for a grant to Mind the G.A.P.P. (Gaining Assistance to Prosperity Program) to improve the quality of life of unemployed and underemployed individuals by improving their employment outcomes and developing individual earnings potential. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(uu) \$550,000 each year is for a grant to the International Institute of Minnesota. Grant money must be used for workforce training for new Americans in industries in need of

a trained workforce. This is a onetime appropriation.

(vv) \$400,000 each year from the workforce development fund is for a grant to Hired to expand their career pathway job training and placement program that connects lower-skilled job seekers to entry-level and gateway jobs in high-growth sectors. This is a onetime appropriation.

(ww) \$500,000 each year is for a grant to the American Indian Opportunities and Industrialization Center for workforce development programming, including reducing academic disparities for American Indian students and adults. This is a onetime appropriation.

(xx) \$500,000 each year from the workforce development fund is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. Of this amount, up to \$5,000 may be used for administrative costs. This is a onetime appropriation.

(yy) \$275,000 each year is for a grant to Southeast Minnesota Workforce Development Area 8 and Workforce Development, Inc., to provide career planning, career pathway training and education, wraparound support services, and job skills advancement in high-demand careers to individuals with barriers to employment in Steele County, and to help families build secure pathways out of poverty and address worker shortages in the Owatonna and Steele County area, as well as supporting Employer Outreach Services that provide solutions to workforce challenges and direct connections to workforce programming. Money may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including

assistance with course fees, child care, transportation, and safe and stable housing. Up to five percent of grant money may be used for Workforce Development, Inc.'s administrative costs. This is a onetime appropriation and is available until June 30, 2027.

(zz) \$589,000 the first year and \$588,000 the second year are for grants to the Black Women's Wealth Alliance to provide low-income individuals with job skills training, career counseling, and job placement assistance. This is a onetime appropriation.

(aaa) \$250,000 each year is for a grant to Abijahs on the Backside to provide equine experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder. For purposes of this paragraph, a "first responder" is a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); a full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5; or a volunteer firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 7.

Abijahs on the Backside must report to the commissioner of employment and economic development and the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy and finance on the equine experiential mental health therapy provided to first responders under this paragraph. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to and benefits received by program participants. An initial report is due by January 15, 2024, and a final report is due by January 15, 2026. This is a onetime appropriation.

(bbb) \$500,000 each year is for a grant to Ramsey County to provide job training and workforce development for underserved communities. Grant money may be subgranted to Milestone Community Development for the Milestone Tech program. This is a onetime appropriation.

(ccc) \$500,000 each year is for a grant to Ramsey County for a technology training pathway program focused on intergenerational community tech work for residents who are at least 18 years old and no more than 24 years old and who live in a census tract that has a poverty rate of at least 20 percent as reported in the most recently completed decennial census published by the United States Bureau of the Census. Grant money may be used for program administration, training, training stipends, wages, and support services. This is a onetime appropriation.

(ddd) \$200,000 each year is for a grant to Project Restore Minnesota for the Social Kitchen project, a pathway program for careers in the culinary arts. This is a onetime appropriation and is available until June 30, 2027.

(eee) \$100,000 each year is for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and award scholarships for students pursuing careers in the food industry. This is a onetime appropriation.

(fff) \$1,200,000 each year is for a grant to Twin Cities R!SE. Of this amount, \$700,000 each year is for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to individuals facing barriers to employment; and \$500,000 each year is to increase the capacity of the Empowerment Institute through employer partnerships across Minnesota and expansion of the youth

personal empowerment curriculum. This is a onetime appropriation and available until June 30, 2026.

(ggg) \$750,000 each year is for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Grants may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant money may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(hhh) \$500,000 each year is for a grant to Big Brothers Big Sisters of the Greater Twin Cities to provide disadvantaged youth ages 12 to 21 with job-seeking skills, connections to job training and education opportunities, and mentorship while exploring careers. The grant shall serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(iii) \$3,000,000 each year is for a grant to Youthrise to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated African populations statewide. Of these amounts, 50 percent is for subgrants to Ka Joog and 50 percent is for competitive subgrants to community organizations. This is a onetime appropriation.

(jjj) \$350,000 each year is for a grant to the YWCA Minneapolis to provide training to eligible individuals, including job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early education. This is a onetime appropriation.

(kkk) \$500,000 each year is for a grant to Emerge Community Development to support and reinforce critical workforce training at the Emerge Career and Technical Center, Cedar Riverside Opportunity Center, and Emerge Second Chance programs in the city of Minneapolis. This is a onetime appropriation.

(lll) \$425,000 each year is for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. This is a onetime appropriation.

Better Futures Minnesota shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and job skills training provided to program participants.

(mmm) \$500,000 each year is for a grant to Pillsbury United Communities to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(nnn) \$500,000 each year is for a grant to Project for Pride in Living for job training and workforce development services for underserved communities. This is a onetime appropriation.

(ooo) \$300,000 each year is for a grant to YMCA of the North to provide career exploration, job training, and workforce development services for underserved youth and young adults. This is a onetime appropriation.

(ppp) \$500,000 each year is for a grant to Al Maa'uun, formerly the North at Work program, for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. This is a onetime appropriation.

(qqq) \$500,000 each year is for a grant to CAIRO to provide workforce development services in health care, technology, and transportation (CDL) industries. This is a onetime appropriation.

(rrr) \$500,000 each year is for a grant to the Central Minnesota Community Empowerment Organization for providing services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(sss) \$270,000 each year is for a grant to the Stairstep Foundation for community-based workforce development efforts. This is a onetime appropriation.

(ttt) \$400,000 each year is for a grant to Building Strong Communities, Inc, for a statewide apprenticeship readiness program to prepare women, BIPOC community members, and veterans to enter the building and construction trades. This is a onetime appropriation.

(uuu) \$150,000 each year is for prevailing wage staff under Minnesota Statutes, section 116J.871, subdivision 2.

(vvv) \$250,000 each year is for the purpose of awarding a grant to Minnesota Community of African People with Disabilities (MNCAPD), Roots Connect, and Fortune Relief and Youth Empowerment Organization (FRAYEO). This is a onetime appropriation. MNCAPD, Roots Connect, and FRAYEO must use grant proceeds to provide funding for workforce development activities for at-risk youth from low-income families and unengaged young adults experiencing disabilities, including:

(1) job readiness training for at-risk youth, including resume building, interview skills, and job search strategies;

(2) on-the-job training opportunities with local businesses;

(3) support services such as transportation assistance and child care to help youth attend job training programs; and

(4) mentorship and networking opportunities to connect youth with professionals in the youth's desired fields.

(www)(1) \$250,000 each year is for a grant to Greater Rochester Advocates for Universities and Colleges (GRAUC), a collaborative organization representing health care, business, workforce development, and higher education institutions, for expenses relating to starting up a state-of-the-art simulation center for training health care workers in southeast Minnesota. Once established, this center must be self-sustaining through user fees. Eligible expenses include leasing costs, developing and providing training, and operational costs. This is a onetime appropriation.

(2) By January 15, 2025, GRAUC must submit a report, including an independent financial audit of the use of grant money, to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education and economic development. This report must include details on the training provided at the simulation center, including the names of all organizations that use the center for training, the number of individuals each organization trained, and the type of training provided.

(xxx)(1) \$350,000 each year is for a grant to the Minnesota Association of Black Lawyers for a pilot program supporting black undergraduate students pursuing admission to law school. This is a onetime appropriation.

(2) The program must:

(i) enroll an initial cohort of ten to 20 black Minnesota resident students attending a baccalaureate degree-granting postsecondary institution in Minnesota full time;

(ii) support each of the program's students with an academic scholarship in the amount of \$4,000 per academic year;

(iii) organize events and programming, including but not limited to one-on-one mentoring, to familiarize enrolled students with law school and legal careers; and

(iv) provide the program's students free test preparation materials, academic support, and registration for the Law School Admission Test (LSAT) examination.

(3) The Minnesota Association of Black Lawyers may use grant funds under clause (1) for costs related to:

(i) student scholarships;

(ii) academic events and programming, including food and transportation costs for students;

(iii) LSAT preparation materials, courses, and registrations; and

(iv) hiring staff for the program.

(4) By January 30, 2024, and again by January 30, 2025, the Minnesota Association of Black Lawyers must submit a report to the commissioner and to the chairs and ranking minority members of legislative committees with jurisdiction over workforce development finance and policy and higher education finance and policy. The report must include an accurate and detailed account of the pilot program, its outcomes, and its revenues and expenses, including the use of all state funds appropriated in clause (1).

(yyy) \$2,000,000 the first year is for a grant to the Power of People Leadership Institute (POPLI) to expand pre- and post-release personal development and leadership training and community reintegration services, to reduce recidivism, and increase access to employment. This is a onetime appropriation and is available until June 30, 2025.

(zzz) \$500,000 the first year is to the Legislative Coordinating Commission for the Working Group on Youth Interventions. This is a onetime appropriation.

Sec. 7. Laws 2023, chapter 53, article 20, section 2, subdivision 4, is amended to read:

Subd. 4. General Support Services		18,045,000	8,045,000
	Appropriations by Fund		
		2024	2025
General Fund	17,950,000		7,950,000
Workforce Development	95,000		95,000

The base for the general support services division in fiscal year 2026 is \$5,950,000 for

the general fund and \$95,000 for the workforce development fund.

(a) \$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

(b) \$10,000,000 the first year is for the workforce digital transformation projects. This appropriation is onetime and is available until June 30, 2027.

Sec. 8. Laws 2023, chapter 53, article 20, section 2, subdivision 6, is amended to read:

			<u>45,691,000</u>
Subd. 6. Vocational Rehabilitation		45,691,000	<u>40,636,000</u>
Appropriations by Fund			
	2024	2025	
		<u>37,861,000</u>	
General	37,861,000	<u>32,806,000</u>	
Workforce Development	7,830,000	7,830,000	

(a) \$14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$11,495,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, \$4,500,000 each year is for maintaining prior rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) \$5,055,000 each year in the first year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14, and is available until June 30, 2025. The base for this appropriation is \$2,555,000 in fiscal year 2026 and each year thereafter.

(d) \$7,011,000 each year is for grants to centers for independent living under Minnesota Statutes, section 268A.11. This appropriation is available until June 30, 2027. The base for this appropriation is \$3,011,000 in fiscal year 2026 and each year thereafter.

(e) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

Sec. 9. Laws 2023, chapter 53, article 21, section 6, is amended to read:

Sec. 6. **TRANSFERS.**

(a) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$400,000,000 from the general fund to the Minnesota forward fund account established in Minnesota Statutes, section 116J.8752, subdivision 2. The base for this transfer is \$0.

(b) In the biennium ending on June 30, 2025, the commissioner of management and budget shall transfer \$25,000,000 from the general fund to the Minnesota climate innovation authority account established in Minnesota Statutes, section 216C.441, subdivision 11. The base for this transfer is \$0.

(c) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$75,000,000 from the general fund to the state competitiveness fund account established in Minnesota Statutes, section 216C.391, subdivision 2. Notwithstanding Minnesota Statutes, section 216C.391, subdivision 2, the commissioner of commerce must use this transfer for grants to eligible entities for projects receiving federal loans or tax credits where the benefits are in disadvantaged communities. The base for this transfer is \$0. Up to three percent of money transferred under this paragraph is for administrative costs.

(d) ~~In the biennium ending on June 30, 2027,~~ The commissioners of management and budget, in consultation with the commissioners of employment and economic development and commerce, may transfer money between the Minnesota forward fund account, the Minnesota climate innovation authority account, and the state competitiveness fund account. The commissioner of management and budget must notify the Legislative Advisory Commission within 15 days of making transfers under this paragraph.

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

Sec. 12. Laws 2023, chapter 53, article 21, section 7, is amended to read:

Sec. 7. **APPROPRIATIONS.**

(a) \$50,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development for providing businesses with matching funds required by federal programs. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(b) \$100,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match existing federal funds made available in the Consolidated Appropriations Act, Public Law 117-328. This appropriation must be used to (1) construct and operate a bioindustrial manufacturing pilot innovation facility, biorefinery, or commercial campus utilizing agricultural feedstocks or (2) for a Minnesota aerospace center for research, development, and testing, or both (1) and (2). This appropriation is not subject to the grant limit requirements of Minnesota Statutes, section 116J.8752, subdivision subdivisions 4, paragraph (b), and 5. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(c) \$250,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match federal funds made available in the Chips and Science Act, Public Law 117-167. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. This appropriation is not subject to Minnesota Statutes, section 116J.8752, subdivision 5. The commissioner may use up two percent for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(d) The commissioner may use the appropriation under paragraph (c) to allocate up to 15 percent of the total project cost with a maximum of \$75,000,000 per project for the purpose of constructing, modernizing, or expanding commercial facilities on the front- and back-end fabrication of leading-edge, current-generation, and mature-node semiconductors; funding semiconductor materials and manufacturing equipment facilities; and for research and development facilities.

(e) The commissioner may use the appropriation under paragraph (c) to award:

(1) grants to institutions of higher education (1) for developing and deploying training programs and to build pipelines to serve the needs of industry; and

(2) grants to increase the capacity of institutions of higher education to serve industrial requirements for research and development that coincide with current and future requirements of projects eligible under this section. Grant money may be used to construct and equip facilities that serve the purpose of the industry. The maximum grant award per institution of higher education under this section is \$5,000,000 and may not represent more than 50 percent of the total project funding from other sources. Use of this funding must be supported by businesses receiving funds under clause (1).

(f) Money appropriated in paragraphs (a), (b), and (c) may be transferred between appropriations within the Minnesota forward fund account by the commissioner of employment and economic development with approval of the commissioner of management and budget. The commissioner

must notify the Legislative Advisory Commission at least 15 days prior to changing appropriations under this paragraph.

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

Sec. 10. Laws 2023, chapter 64, article 15, section 30, is amended to read:

Sec. 30. **APPROPRIATION; CITY OF MINNEAPOLIS; GRANT.**

(a) ~~\$10,000,000~~ \$9,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of employment and economic development for a grant to the city of Minneapolis. This is a onetime appropriation. The grant must be paid by July 15, 2023. The city of Minneapolis may use up to one percent of the grant for administrative costs.

(b) Of the amount granted to the city of Minneapolis under paragraph (a), ~~\$8,000,000~~ \$7,000,000 must be used for a grant to a foundation that provides business advising, branding and marketing support, and real estate consulting to businesses located on Lake Street in Minneapolis, between 30th Avenue South and Nicollet Avenue. The organization must use the funds for direct business support or direct corridor support, including assistance with marketing, placemaking, and public relations services.

(c) Of the amount granted to the city of Minneapolis under paragraph (a), \$2,000,000 must be used for property acquisition in the city of Minneapolis at 1860 28th Street East and 2717 Longfellow Avenue.

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

Sec. 11. **REPORT TO LEGISLATURE.**

Subdivision 1. Application. This section applies to any grant funded under this act whether the recipient of the grant is individually specified, or if not individually specified, will result in a grant to a single recipient.

Subd. 2. Reporting to the commissioner. In addition to meeting any other reporting requirements under existing law, included in a grant agreement, or as specified in an appropriation in this act, a grant recipient subject to this section must provide the information necessary for the commissioner to submit the report required under subdivision 3.

Subd. 3. Report to legislature. By January 15, 2026, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development or workforce development, as applicable, with the following information:

- (1) a detailed accounting of the use of any grant funds;
- (2) the portion of the grant, if any, spent on the recipient's administrative expenses;
- (3) the number of individuals served by the grant; and
- (4) any other reporting requirement specified for an appropriation under this act.

Sec. 13. **CANCELLATIONS.**

(a) Notwithstanding Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), if the Bureau International des Expositions does not approve the Expo 2027 project, the money appropriated in Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), cancels to the general fund.

(b) \$6,000,000 of the fiscal year 2021 general fund appropriation under Laws 2021, First Special Session chapter 14, article 11, section 41, is canceled to the general fund.

Sec. 14. **REPEALER.**

Laws 2021, First Special Session chapter 14, article 11, section 42, as amended by Laws 2023, chapter 73, section 2, is repealed.

ARTICLE 2

POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 116L.43, subdivision 1, is amended to read:

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

(b) "Community-based organization" means a nonprofit organization that:

(1) provides workforce development programming or services;

~~(2) has an annual organizational budget of no more than \$1,000,000;~~

~~(3) (2)~~ has its primary office located in a historically underserved community of color or low-income community; and

~~(4) (3)~~ serves a population that generally reflects the demographics of that local community.

(c) "Entry level jobs" means part-time or full-time jobs that an individual can perform without any prior education or experience.

(d) "High wage" means the income needed for a family to cover minimum necessary expenses in a given geographic area, including food, child care, health care, housing, and transportation.

(e) "Industry specific certification" means a credential an individual can earn to show proficiency in a particular area or skill.

(f) "Remedial training" means additional training provided to staff following the identification of a need and intended to increase proficiency in performing job tasks.

(g) "Small business" has the same meaning as section 645.445.

Sec. 2. **[116U.255] EXPLORE MINNESOTA FILM.**

Subdivision 1. **Office established; director.** (a) Explore Minnesota Film is established as an office within Explore Minnesota.

(b) The director of Explore Minnesota shall appoint the director of Explore Minnesota Film. The director of Explore Minnesota Film must be qualified by experience with issues related to film and television production and economic development.

(c) The office may employ staff necessary to carry out the duties required in this section.

Subd. 2. **Duties.** The director of Explore Minnesota Film is authorized to:

(1) administer the film production jobs program and the film production credit program;

(2) promote Minnesota as a location for film and television production;

(3) assist in the establishment and implementation of programs related to film and television production, including but not limited to permitting and workforce development;

(4) improve communication among local, state, federal, and private entities regarding film and television production logistics and best practices;

(5) coordinate the development of statewide policies addressing film and television production; and

(6) act as a liaison to production entities, workers, and state agencies.

Sec. 3. Minnesota Statutes 2022, section 116U.26, is amended to read:

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by ~~the Minnesota Film and TV Board~~ Explore Minnesota Film with administrative oversight and control by the ~~commissioner of employment and economic development~~ director of Explore Minnesota. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to ~~the Minnesota Film and TV Board~~ Explore Minnesota Film of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

~~The Minnesota Film and TV Board~~ Explore Minnesota Film shall make recommendations to the ~~commissioner of employment and economic development~~ director of Explore Minnesota about program payment, but the ~~commissioner~~ director has the authority to make the final determination on payments. The ~~commissioner's~~ director's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

- (i) a story and scenario to be used for a film;
- (ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;
- (iii) set construction and operations, wardrobe, accessories, and related services;
- (iv) photography, sound synchronization, lighting, and related services;
- (v) editing and related services;
- (vi) rental of facilities and equipment;
- (vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;
- (viii) above-the-line talent fees for nonresident talent; or
- (ix) costs incurred during postproduction; and

(2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, ~~the Minnesota Film and TV Board~~ Explore Minnesota Film may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

Sec. 4. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 1, is amended to read:

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

(b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer upon receipt and approval of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

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

~~(e)~~ (d) "Credit certificate" means a certificate issued by the commissioner upon receipt and approval of the cost verification report in subdivision 4, paragraph (e).

(e) "Director" means the director of Explore Minnesota.

(f) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

(g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(h) "Project" means a film:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least \$1,000,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

Television commercials are exempt from the requirement under clause (1).

(i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the ~~commissioner and lasting approximately five seconds~~ director, that promotes Minnesota within its presentation in the end credits ~~before the below-the-line crew crawl~~ for the life of the project.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 4, is amended to read:

Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the ~~commissioner~~ director an application for a credit in the form prescribed by the ~~commissioner~~ director, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the ~~commissioner~~ director shall issue allocation certificates that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to 25 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

~~The commissioner must consult with the Minnesota Film and TV Board prior to issuing an allocation certificate.~~

(c) The ~~commissioner~~ director must not issue allocation certificates for more than \$24,950,000 of credits each year. If the entire amount is not allocated in that taxable year, any remaining amount is available for allocation for the four following taxable years until the entire allocation has been made. The ~~commissioner~~ director must not award any credits for taxable years beginning after December 31, 2030, and any unallocated amounts cancel on that date.

(d) The ~~commissioner~~ director must allocate credits on a first-come, first-served basis.

(e) Upon completion of a project, the taxpayer shall submit to the ~~commissioner~~ director a report prepared by an independent certified public accountant licensed in the state of Minnesota to verify the amount of eligible production costs related to the project. The report must be prepared in accordance with generally accepted accounting principles. Upon receipt and approval of the cost verification report and other documents required by the ~~commissioner~~ director, the ~~commissioner~~ director shall determine the final amount of eligible production costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the allocation certificate. If the credit is less than the anticipated amount on the allocation credit, the difference is returned to the amount available for allocation under paragraph (c). To claim the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit certificate as part of the taxpayer's return.

Sec. 6. Minnesota Statutes 2022, section 116U.27, subdivision 5, is amended to read:

Subd. 5. **Report required.** By January 15, 2025, the commissioner of revenue, in consultation with the ~~commissioner~~ director, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

(1) the amount of credit certifications issued annually;

(2) the number of applications submitted, the number of allocation certificates issued, the amount of allocation certificates issued, the number of reports submitted upon completion of a project, and the number of credit certificates issued;

(3) the types of projects eligible for the credit;

(4) the total economic impact of the credit in Minnesota, including the calendar year over calendar year percentage changes in the number of jobs held by Minnesota residents in businesses having a primary North American Industry Classification System code of 512110 as reported to the commissioner, for calendar years 2019 through 2023;

(5) the number of taxpayers per tax type which are assignees of credit certificates under subdivision 3;

(6) annual Minnesota taxes paid by businesses having a primary North American Industry Classification System code of 512110, for taxable years beginning after December 31, 2018, and before January 1, 2024; and

(7) any other information the commissioner of revenue, in consultation with the ~~commissioner~~ director, deems necessary for purposes of claiming and administering the credit.

Sec. 7. Minnesota Statutes 2022, section 116U.27, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** Beginning in fiscal year 2022, \$50,000 is annually appropriated from the general fund to the commissioner of revenue for a transfer to ~~the Department of Employment~~

~~and Economic Development~~ Explore Minnesota for costs associated with personnel and administrative expenses related to administering the credit. This subdivision expires on June 30, 2025.

Sec. 8. **CHANGE STARTS WITH COMMUNITY VIOLENCE PREVENTION PROGRAM.**

Subdivision 1. **Objectives.** Change Starts With Community must:

(1) develop and implement year-round job training programs for at-risk youth and adults and provide trusted adult mentorship for at-risk BIPOC youth, providing them with the skills needed for gainful employment and career opportunities; and

(2) create on-site job opportunities at Shiloh Cares Food Shelf, promoting community engagement and economic development.

Subd. 2. **Partnerships.** (a) Change Starts With Community must partner with the Cargill Foundation to support at-risk youth educational career field trips and mental health check-ins, exposing participants to multiple career paths and preventing further trauma through mental health check-ins for youth.

(b) Change Starts With Community must partner with Hennepin County juvenile corrections and the Minneapolis Police Department to receive referrals for at-risk youth who would benefit from enrollment in the program to prevent risky behaviors and community violence.

Subd. 3. **At-risk youth and adult job program positions.** Change Starts With Community must use grant proceeds to add positions to the program's complement, including but not limited to youth mentorships, food service workers, an executive director, director, and program director.

Subd. 4. **Report.** Change Starts With Community must report to the commissioner of employment and economic development, outlining the utilization of grant money, program outcomes, and the impact on the targeted population. The report must be submitted no later than six months after the end of fiscal year 2025.

Sec. 9. **SHAKOPEE AREA WORKFORCE DEVELOPMENT SCHOLARSHIPS PILOT.**

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

(b) "Employer-sponsored applicant" means a student applicant with a local employer scholarship equal to or greater than 25 percent of the workforce development scholarship.

(c) "Local employer" means an employer with a physical location in a county within the service area of the foundation as listed in paragraph (d).

(d) "Shakopee Chamber Foundation" or "foundation" means a nonprofit organization which provides workforce and charitable services to Scott County as well as the Shakopee Mdewakanton Sioux Community.

Subd. 2. **Grants and administration.** (a) The commissioner of employment and economic development must award appropriated grant funds to the foundation to administer the Shakopee

area workforce development scholarship pilot program. The foundation may use up to ten percent of grant funds for administrative costs.

(b) The foundation and participating college or university from the Minnesota State Colleges and Universities System must establish an application process and other guidelines for implementing this program.

Subd. 3. **Scholarship recipient requirements.** (a) To be eligible for a scholarship from the foundation, a student must:

(1) be enrolling or enrolled at least half-time in a program at a college or university from the Minnesota State Colleges and Universities System approved by the Dakota-Scott Workforce Development Board under subdivision 4; and

(2) complete the Free Application for Federal Student Aid (FAFSA), if applicable to the program for which they are enrolling or enrolled.

(b) A recipient of a scholarship awarded under this section must:

(1) adhere to any applicable participating local employer program requirements; and

(2) sign a contract agreeing to fulfill the employment obligation under paragraph (c).

(c) A scholarship recipient must fulfill a three-year full-time employment commitment within the service area of the foundation as listed in subdivision 1, paragraph (d). The employment may be with the local employer sponsoring the student or any qualified local employer in a high-demand occupation as defined by the Dakota-Scott Workforce Development Board. If a recipient of a scholarship fails to fulfill the requirements of this paragraph, the foundation may convert the scholarship to a loan. Amounts repaid from a loan must be used to fund scholarship awards under this section.

Subd. 4. **Program eligibility.** (a) The Dakota-Scott Workforce Development Board must annually identify eligible undergraduate degree, diploma, or certificate or industry-recognized credential programs in advanced manufacturing, health care, law enforcement, hospitality, or other high-demand occupations. The Dakota-Scott Workforce Development Board must consider data based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in the region is higher than the state average vacancy rate for that same occupation.

(b) By December 1, 2024, and annually through December 1, 2029, the Dakota-Scott Workforce Development Board must provide a list of eligible programs administered by each Minnesota state college and university that are eligible for scholarships in the subsequent year.

Subd. 5. **Employer partnerships.** The foundation and Minnesota State Colleges and Universities must establish partnerships with qualified local employers to ensure that 25 percent of the Shakopee area workforce development scholarship is matched with employer or foundation funds.

Subd. 6. **Scholarship awards.** (a) The foundation must coordinate available funds and award scholarships to Minnesota state colleges and universities with programs approved by the Dakota-Scott Workforce Development Board. Scholarships must be coordinated by the individual colleges approved by the Dakota-Scott Workforce Development Board and applied only after all other available tuition waivers and grant and scholarship funding through a last dollar in model. Scholarships are intended to supplement all other tuition waivers and grant and scholarship opportunities and to cover the full cost of attendance to the eligible students.

(b) If the appropriated grant is insufficient to award scholarships to all eligible applicants, priority must first be given to applicants that are program continuing applicants. Priority must then be given to employer-sponsored applicants.

Subd. 7. **Renewal; cap.** A student who has been awarded a scholarship may apply in subsequent academic years until the student completes a qualifying program. A student who successfully completes an eligible program and the subsequent work period requirement is eligible for a scholarship for a second program, but total lifetime awards must not exceed scholarships for two programs.

Subd. 8. **Local employer scholarships tax credit.** (a) A local employer is allowed a credit against the tax due under Minnesota Statutes, chapter 290, equal to the amount of the local employer's scholarship awarded to an employer-sponsored applicant that is matched under subdivision 5.

(b) The credit allowed to a local employer under this subdivision per scholarship awarded to an employer-sponsored applicant for a taxable year is limited to the total amount of the local employer's scholarship awarded to an employer-sponsored applicant.

(c) If the amount of credit which a claimant is eligible to receive under this subdivision exceeds the claimant's tax liability under Minnesota Statutes, chapter 290, the commissioner of revenue shall refund the excess to the claimant.

(d) Credits granted to a partnership, a limited liability company taxed as a partnership, an S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or owner based on their share of the entity's assets or as specially allocated in their organizational documents or any other executed document, as of the last day of the taxable year.

(e) The commissioner of revenue may use any audit and examination powers under Minnesota Statutes, chapter 270C or 289A, to the extent necessary to verify that the taxpayer is eligible for the credit and to assess for the amount of any improperly claimed credit.

(f) This subdivision expires after December 31, 2028, except that the expiration of this subdivision does not affect the commissioner of revenue's authority to audit or power of examination and assessment for credits claimed under this subdivision.

(g) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner of revenue from the general fund.

Subd. 9. **Report required.** The foundation must submit an annual report by December 31 of each year regarding the scholarship program to the chairs and ranking minority members of the

legislative committees with jurisdiction over employment and economic development policy. The first report is due no later than December 31, 2025. The annual report must describe the following:

(1) the number of students receiving a scholarship at each participating college during the previous calendar year;

(2) the number of scholarships awarded for each program and definition of type of program during the previous calendar year;

(3) the number of scholarship recipients who completed a program of study or certification;

(4) the number of scholarship recipients who secured employment by their graduation date and those who secured employment within three months of their graduation date;

(5) a list of the colleges that received funding, the amount of funding each institution received, and whether all withheld funds were distributed;

(6) a list of occupations scholarship recipients are entering;

(7) the number of students who were denied a scholarship;

(8) a list of participating local employers and amounts of any applicable employer contributions; and

(9) a list of recommendations to the legislature regarding potential program improvements.

EFFECTIVE DATE. This section is effective the day following final enactment, except that subdivision 8 is effective for taxable years beginning after December 31, 2023, and before January 1, 2029.

Sec. 10. REVISOR INSTRUCTION.

The revisor of statutes shall codify Laws 2023, chapter 53, article 21, section 6, paragraph (d), as Minnesota Statutes, section 116J.8752, subdivision 4a. The revisor may make any technical, grammatical, or cross-reference changes necessary to effectuate this recodification.

Sec. 11. REPEALER.

Minnesota Statutes 2022, section 116J.439, is repealed."

Amend the title accordingly

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

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

S.F. No. 4942: A bill for an act relating to state government; repealing the renewable development account report; amending Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

CLIMATE AND ENERGY FINANCE

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **DEPARTMENT OF COMMERCE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>1,000,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Advanced Nuclear Technologies Study

\$300,000 the second year is for the advanced nuclear technologies study under article 3, section 35. This is a onetime appropriation.

Subd. 3. Thermal Energy Network Site Suitability Study

\$500,000 the second year is for the thermal energy network site suitability study under article 3, section 37. This is a onetime appropriation.

Subd. 4. Grant Development Assistance

\$200,000 the second year is transferred to the state competitiveness fund account under Minnesota Statutes, section 216C.391, for

grant development assistance under Minnesota Statutes, section 216C.391, subdivision 4. This is a onetime transfer.

Sec. 3. **PUBLIC UTILITIES COMMISSION** \$ 0 \$ 39,000

\$39,000 the second year is for the thermal energy network deployment work group under article 3, section 36. The base budget for this appropriation is \$39,000 in fiscal year 2026 and \$0 in fiscal year 2027.

ARTICLE 2

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation** \$ 0 \$ 13,650,000

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

Subd. 2. Geothermal Energy System; Sabathani Community Center

(a) \$6,000,000 the second year is for a grant to the Sabathani Community Center in Minneapolis to construct a geothermal energy system that provides space heating and cooling to the center. This is a onetime

appropriation and is available until June 30, 2027.

(b) For the purposes of this subdivision, "geothermal energy system" means a system composed of: a heat pump that moves a heat-transferring fluid through piping embedded in the earth and absorbs the earth's constant temperature; a heat exchanger; and ductwork to distribute heated and cooled air to a building.

Subd. 3. Energy Efficiency Projects; Dakota County

(a) \$500,000 the second year is for a grant to Dakota County for energy efficiency projects that are located in the service area of the public utility subject to Minnesota Statutes, section 116C.779. This appropriation is available until June 30, 2027. The base budget for this appropriation is \$500,000 in fiscal year 2026 and \$0 in fiscal year 2027.

(b) For purposes of this subdivision, "energy efficiency project" includes but is not limited to: (1) LED lighting, as defined under Minnesota Statutes, section 216B.241, subdivision 5; (2) solar arrays; or (3) heating, ventilating, or air conditioning system improvements.

Subd. 4. Anaerobic Digester Energy System

(a) \$5,000,000 the second year is for a grant to Recycling and Energy, in partnership with Dem-Con HZI Bioenergy, LLC, to construct an anaerobic energy system in Louisville Township. This appropriation is available until June 30, 2027. The base budget for this appropriation is \$5,000,000 in fiscal year 2026 and \$0 in fiscal year 2027.

(b) For the purposes of this subdivision, "anaerobic energy system" means a facility that uses diverted food and organic waste to create renewable natural gas and biochar.

Subd. 5. Wildlife Rehabilitation Center of Minnesota

\$400,000 the second year is for a grant to the Wildlife Rehabilitation Center of Minnesota to install solar panels. This is a onetime appropriation and is available until June 30, 2027.

Subd. 6. Ultraefficient Vehicle Development Grants

\$250,000 the second year is transferred to the ultraefficient vehicle development grant account under section 4, subdivision 4, to provide grants for developers and producers of ultraefficient vehicles. This is a onetime transfer.

Subd. 7. Geothermal Heat Exchange System Rebate Program

\$1,500,000 the second year is transferred to the geothermal heat exchange system rebate account established under Minnesota Statutes, section 216C.47, to provide rebates for geothermal heat exchange systems for eligible applicants. This is a onetime transfer.

Subd. 8. Administrative Costs

(a) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to two percent of the appropriations in subdivisions 2 to 5 for administrative costs.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to five percent of the appropriations in subdivisions 6 and 7 for administrative costs.

Sec. 3. [216C.47] GEOTHERMAL HEAT EXCHANGE SYSTEM REBATE PROGRAM.

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

(b) "Eligible applicant" means a person, business, nonprofit, government entity, federally recognized Tribe in Minnesota, or religious institution who provides evidence to the commissioner's satisfaction demonstrating that the person has received or has applied for a geothermal heat exchange

system rebate available from the federal Department of Treasury under the Inflation Reduction Act of 2022, Public Law 117-189, for a commercial or multifamily building located in Minnesota.

(c) "Geothermal heat exchange system" means a heating or cooling exchange mechanism composed of a mechanism to collect or reject heat from or to the underground.

(d) "Commissioner" means the commissioner of the Department of Commerce.

Subd. 2. **Establishment.** A geothermal heat exchange system rebate program is established in the department to provide financial assistance to eligible applicants that install geothermal heat exchange technology in the applicant's building.

Subd. 3. **Application.** (a) An application for a rebate under this section must be made to the commissioner on a form developed by the commissioner. The application must be accompanied by documentation, as required by the commissioner, demonstrating:

(1) that the applicant is an eligible applicant;

(2) that the applicant owns the Minnesota building in which the geothermal exchange system is to be installed;

(3) that an energy audit of the building in which the geothermal exchange system is to be installed has been conducted within the 18 months preceding the application date by a person with a building analyst technician certification issued by the Building Performance Institute, Inc., or an equivalent certification as determined by the commissioner;

(4) that the applicant has installed a geothermal heat exchange system of the capacity recommended by the auditor or contractor, and has had the heat pump installed by a contractor with sufficient training and experience in installing heat pumps, as determined by the commissioner; and

(5) the total cost to install the geothermal heat exchange system in the applicant's building and the associated geothermal loop installed and located outside of the building.

(b) The commissioner must develop administrative procedures governing the application and rebate award processes.

(c) The commissioner may modify program requirements under this section when necessary to align with comparable federal programs administered by the department under the federal Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lower of:

(1) ten percent of geothermal heat exchange system costs, not to exceed \$100,000 for a single project; or

(2) the total cost to purchase and install the heat exchange system in an eligible applicant's building net of any financial support received for the system from other federal, state, or utility programs.

Subd. 5. **Prioritization.** In evaluating applications under this program, the commissioner must give priority to applications that:

(1) are located in environmental justice communities, as defined by section 115A.03, subdivision 10b;

(2) have submitted a workforce plan demonstrating the intention to use registered apprenticeships;
or

(3) are multifamily housing or commercial buildings that:

(i) are owned by a non-profit or government entity; and

(ii) meet the definition of low-income rental property under section 273.128.

Subd. 6. **Account established.** (a) The geothermal heat exchange system rebate account is established as a separate account in the special revenue fund in the state treasury. The commissioner must credit appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner for the purposes of this section and to reimburse the reasonable costs incurred by the department to administer this section. Any money remaining in the account on January 1, 2033, cancels to the renewable development account.

Sec. 4. **ULTRAEFFICIENT VEHICLE DEVELOPMENT GRANTS.**

Subdivision 1. **Program establishment.** (a) A grant program is established in the Department of Commerce to provide financial assistance to developers and producers of ultraefficient vehicles that use proprietary technology.

(b) For purposes of this section, "ultraefficient vehicle" means a fully closed compartment vehicle designed to carry at least one adult passenger that achieves:

(1) at least 75 miles per gallon while operating on gasoline;

(2) at least 75 miles per gallon equivalent while operating as a hybrid electric-gasoline; or

(3) at least 75 miles per gallon equivalent while operating as a fully electric vehicle.

Subd. 2. **Application process.** Applicants seeking a grant under this section must submit an application to the commissioner of commerce on a form developed by the commissioner. The commissioner is responsible for receiving and reviewing grant applications and awarding grants under this subdivision. The commissioner must develop administrative procedures to govern the application, evaluation, and grant-award process.

Subd. 3. **Grant awards.** The maximum grant award for each eligible applicant awarded a grant under this section is \$250,000. In awarding grants under this section, the department must:

(1) give priority to ultraefficient vehicle projects that are deemed to be near production ready; and

(2) give priority to ultraefficient vehicle projects that maximize the use of electricity to charge and run the vehicle.

Subd. 4. **Account established.** An ultraefficient vehicle development grant account is established in the special revenue fund in the state treasury. The commissioner of commerce must credit to the account appropriations made for ultraefficient vehicle development grants. Earnings, including interest, arising from assets in the account, must be credited to the account. Money in the account is available until June 30, 2028. Any amount in the account after June 30, 2028, cancels to the renewable development account. The commissioner of commerce must manage the account.

Subd. 5. **Appropriation; expenditures.** Money in the account established in subdivision 4 is appropriated to the commissioner of commerce and must be used only:

(1) to make grant awards under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

Subd. 6. **Report.** On January 15, 2026, and on January 15, 2029, the commissioner of commerce must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance on the grant awards under this section.

ARTICLE 3

ENERGY, UTILITIES, ENVIRONMENT, AND CLIMATE POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing

spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. The total amount transferred annually under this paragraph must be reduced by \$3,750,000.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by

the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable:

(1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers; and

(2) the proposer's commitment to increasing the diversity of the proposer's workforce and vendors.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

~~(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.~~

~~(q)~~ (q) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers. A project receiving funds from the account must submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

~~(r)~~ (r) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

~~(s)~~ (s) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

~~(t)~~ (t) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

~~(u)~~ (u) Construction projects receiving funds from this account are subject to the requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Sec. 2. Minnesota Statutes 2022, section 216B.098, is amended by adding a subdivision to read:

Subd. 7. Social Security number and individual taxpayer identification number. If a utility requires a new customer to provide a Social Security number on an application for utility service, the utility must accept an individual taxpayer identification number in lieu of a Social Security number. The utility application must indicate that the utility accepts an individual taxpayer identification number.

Sec. 3. Minnesota Statutes 2022, section 216B.16, subdivision 6c, is amended to read:

Subd. 6c. Incentive plan for energy conservation and efficient fuel-switching improvement.
(a) The commission may order public utilities to develop and submit for commission approval incentive plans that describe the method of recovery and accounting for utility conservation and efficient fuel-switching expenditures and savings. For public utilities that provide electric service, the commission must develop and implement incentive plans designed to promote energy conservation separately from the plans designed to promote efficient fuel-switching. In developing the incentive plans the commission shall ensure the effective involvement of interested parties.

(b) In approving incentive plans, the commission shall consider:

(1) whether the plan is likely to increase utility investment in cost-effective energy conservation or efficient fuel switching;

(2) whether the plan is compatible with the interest of utility ratepayers and other interested parties;

(3) whether the plan links the incentive to the utility's performance in achieving cost-effective conservation or efficient fuel switching; ~~and~~

(4) whether the plan is in conflict with other provisions of this chapter;

(5) whether the plan conflicts with other provisions of this chapter; and

(6) the likely financial impacts of the conservation and efficient fuel-switching programs on the utility.

(c) The commission may set rates to encourage the vigorous and effective implementation of utility conservation and efficient fuel-switching programs. The commission may:

(1) increase or decrease any otherwise allowed rate of return on net investment based upon the utility's skill, efforts, and success in conserving improving the efficient use of energy through energy conservation or efficient fuel switching;

(2) share between ratepayers and utilities the net savings resulting from energy conservation and efficient fuel-switching programs to the extent justified by the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of energy; and

(3) adopt any mechanism that satisfies the criteria of this subdivision, such that implementation of cost-effective conservation or efficient fuel switching is a preferred resource choice for the public utility considering the impact of conservation or efficient fuel switching on earnings of the public utility.

(d) Any incentives offered to electric utilities under this subdivision for efficient-fuel switching projects expire December 31, 2032.

Sec. 4. Minnesota Statutes 2022, section 216B.16, subdivision 8, is amended to read:

Subd. 8. **Advertising expense.** (a) The commission shall disapprove the portion of any rate which makes an allowance directly or indirectly for expenses incurred by a public utility to provide a public advertisement which:

(1) is designed to influence or has the effect of influencing public attitudes toward legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed authorization of the Public Utilities Commission or other agency of government responsible for regulating a public utility;

(2) is designed to justify or otherwise support or defend a rate, proposed rate, practice or proposed practice of a public utility;

(3) is designed primarily to promote consumption of the services of the utility;

(4) is designed primarily to promote good will for the public utility or improve the utility's public image; or

(5) is designed to promote the use of nuclear power or to promote a nuclear waste storage facility.

(b) The commission may approve a rate which makes an allowance for expenses incurred by a public utility to disseminate information which:

(1) is designed to encourage ~~conservation~~ efficient use of energy supplies;

(2) is designed to promote safety; or

(3) is designed to inform and educate customers as to financial services made available to them by the public utility.

(c) The commission shall not withhold approval of a rate because it makes an allowance for expenses incurred by the utility to disseminate information about corporate affairs to its owners.

Sec. 5. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision to read:

Subd. 3a. **Data mining facility.** "Data mining facility" means all buildings, structures, equipment, and installations at a single site where electricity is used primarily by computers to process transactions involving digital currency not issued by a central authority.

Sec. 6. Minnesota Statutes 2022, section 216B.2402, subdivision 10, is amended to read:

Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. Gross annual retail energy sales does not include:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural gas sales made to the large customer facility; and

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to natural gas sales made to the commercial gas customer facility;

(2) electric sales to:

(i) a large customer facility whose electric utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made to the large customer facility; ~~or~~ and

(ii) a data mining facility, if the facility:

(A) has provided a signed letter to the utility verifying the facility meets the definition of a data mining facility; and

(B) imposes a peak electrical demand on a consumer-owned utility's system equal to or greater than 40 percent of the peak electrical demand of the system, measured in the same manner as the utility that serves the customer facility measures electric demand for billing purposes; or

(3) the amount of electric sales prior to December 31, 2032, that are associated with a utility's program, rate, or tariff for electric vehicle charging based on a methodology and assumptions developed by the department in consultation with interested stakeholders no later than December 31, 2021. After December 31, 2032, incremental sales to electric vehicles must be included in calculating a public utility's gross annual retail sales.

Sec. 7. Minnesota Statutes 2022, section 216B.2403, subdivision 2, is amended to read:

Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual consumer-owned electric utility subject to this section has an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales and each individual consumer-owned natural gas utility subject to this section has an annual energy-savings goal equivalent to one percent of gross annual retail energy

sales, to be met with a minimum of energy savings from energy conservation improvements equivalent to at least ~~0.95~~ 0.90 percent of the consumer-owned utility's gross annual retail energy sales. The balance of energy savings toward the annual energy-savings goal may be achieved only by the following consumer-owned utility activities:

- (1) energy savings from additional energy conservation improvements;
- (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision 1, that result in increased efficiency greater than would have occurred through normal maintenance activity;
- (3) net energy savings from efficient fuel-switching improvements that meet the criteria under subdivision 8, which may contribute up to ~~0.55~~ 0.60 percent of the goal; or
- (4) subject to department approval, demand-side natural gas or electric energy displaced by use of waste heat recovered and used as thermal energy, including the recovered thermal energy from a cogeneration or combined heat and power facility.

(b) The energy-savings goals specified in this section must be calculated based on weather-normalized sales averaged over the most recent three years. A consumer-owned utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the next three years, except that energy savings from electric utility infrastructure projects may be carried forward for five years. A particular energy savings can only be used to meet one year's goal.

(c) A consumer-owned utility subject to this section is not required to make energy conservation improvements that are not cost-effective, even if the improvement is necessary to attain the energy-savings goal. A consumer-owned utility subject to this section must make reasonable efforts to implement energy conservation improvements that exceed the minimum level established under this subdivision if cost-effective opportunities and funding are available, considering other potential investments the consumer-owned utility intends to make to benefit customers during the term of the plan filed under subdivision 3.

(d) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a consumer-owned utility subject to this section on efficient fuel-switching improvements implemented to meet the annual energy savings goal under this section must not exceed ~~0.55~~ 0.6 percent per year, averaged over a three-year period, of the consumer-owned utility's gross annual retail energy sales.

Sec. 8. Minnesota Statutes 2022, section 216B.2403, subdivision 3, is amended to read:

Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a) By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must file with the commissioner an energy conservation and optimization plan that describes the programs for energy conservation, efficient fuel-switching, load management, and other measures the consumer-owned utility intends to offer to achieve the utility's energy savings goal.

(b) A plan's term may extend up to three years. A multiyear plan must identify the total energy savings and energy savings resulting from energy conservation improvements that are projected to be achieved in each year of the plan. A multiyear plan that does not, in each year of the plan, meet both the minimum energy savings goal from energy conservation improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by the commissioner under paragraph (k), must:

(1) state why each goal is projected to be unmet; and

(2) demonstrate how the consumer-owned utility proposes to meet both goals on an average basis over the duration of the plan.

(c) A plan filed under this subdivision must provide:

(1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned utility's programs offered under the plan, using a list of baseline energy- and capacity-savings assumptions developed in consultation with the department; and

(2) for new programs, a preliminary analysis upon which the program will proceed, in parallel with further development of assumptions and standards.

(d) The commissioner must evaluate a plan filed under this subdivision based on the plan's likelihood to achieve the energy-savings goals established in subdivision 2. The commissioner may make recommendations to a consumer-owned utility regarding ways to increase the effectiveness of the consumer-owned utility's energy conservation activities and programs under this subdivision. The commissioner may recommend that a consumer-owned utility implement a cost-effective energy conservation or efficient fuel-switching program, ~~including an energy conservation program~~ suggested by an outside source such as a political subdivision, nonprofit corporation, or community organization.

(e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility must file: (1) an annual update identifying the status of the plan filed under this subdivision, including: (i) total expenditures and investments made to date under the plan; and (ii) any intended changes to the plan; and (2) a summary of the annual energy-savings achievements under a plan. An annual filing made in the last year of a plan must contain a new plan that complies with this section.

(f) When evaluating the cost-effectiveness of a consumer-owned utility's energy conservation programs, the consumer-owned utility and the commissioner must consider the costs and benefits to ratepayers, the utility, participants, and society. The commissioner must also consider the rate at which the consumer-owned utility is increasing energy savings and expenditures on energy conservation, and lifetime energy savings and cumulative energy savings.

(g) A consumer-owned utility may annually spend and invest up to ten percent of the total amount spent and invested on energy conservation, efficient fuel-switching, or load management improvements on research and development projects that meet the applicable definition of energy conservation, efficient fuel-switching, or load management improvement.

(h) A generation and transmission cooperative electric association or municipal power agency that provides energy services to consumer-owned utilities may file a plan under this subdivision on behalf of the consumer-owned utilities to which the association or agency provides energy services and may make investments, offer conservation programs, and otherwise fulfill the energy-savings goals and reporting requirements of this subdivision for those consumer-owned utilities on an aggregate basis.

(i) A consumer-owned utility is prohibited from spending for or investing in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

(j) The energy conservation and optimization plan of a consumer-owned utility may include activities to improve energy efficiency in the public schools served by the utility. These activities may include programs to:

- (1) increase the efficiency of the school's lighting and heating and cooling systems;
- (2) recommission buildings;
- (3) train building operators; and
- (4) provide opportunities to educate students, teachers, and staff regarding energy efficiency measures implemented at the school.

(k) A consumer-owned utility may request that the commissioner adjust the consumer-owned utility's minimum goal for energy savings from energy conservation improvements under subdivision 2, paragraph (a), for the duration of the plan filed under this subdivision. The request must be made by January 1 of the year when the consumer-owned utility must file a plan under this subdivision. The request must be based on:

- (1) historical energy conservation improvement program achievements;
- (2) customer class makeup;
- (3) projected load growth;
- (4) an energy conservation potential study that estimates the amount of cost-effective energy conservation potential that exists in the consumer-owned utility's service territory;
- (5) the cost-effectiveness and quality of the energy conservation programs offered by the consumer-owned utility; and
- (6) other factors the commissioner and consumer-owned utility determine warrant an adjustment.

The commissioner must adjust the energy savings goal to a level the commissioner determines is supported by the record, but must not approve a minimum energy savings goal from energy conservation improvements that is less than an average of 0.95 percent per year over the consecutive years of the plan's duration, including the year the minimum energy savings goal is adjusted.

(l) A consumer-owned utility filing a conservation and optimization plan that includes an efficient fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels~~ that the requirements of subdivision 8 are met, using a full fuel-cycle energy analysis.

Sec. 9. Minnesota Statutes 2022, section 216B.2403, subdivision 5, is amended to read:

Subd. 5. **Energy conservation programs for low-income households.** (a) A consumer-owned utility subject to this section must provide energy conservation programs to low-income households. The commissioner must evaluate a consumer-owned utility's plans under this section by considering the consumer-owned utility's historic spending on energy conservation programs directed to low-income households, the rate of customer participation in and the energy savings resulting from

those programs, and the number of low-income persons residing in the consumer-owned utility's service territory. A municipal utility that furnishes natural gas service must spend at least 0.2 percent of the municipal utility's most recent three-year average gross operating revenue from residential customers in Minnesota on energy conservation programs for low-income households. A consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the consumer-owned utility's gross operating revenue from residential customers in Minnesota on energy conservation programs for low-income households. The requirement under this paragraph applies to each generation and transmission cooperative association's aggregate gross operating revenue from the sale of electricity to residential customers in Minnesota by all of the association's member distribution cooperatives.

(b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned utility may contribute money to the energy and conservation account established in section 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount of contributions the consumer-owned utility plans to make to the energy and conservation account. Contributions to the account must be used for energy conservation programs serving low-income households, including renters, located in the service area of the consumer-owned utility making the contribution. Contributions must be remitted to the commissioner by February 1 each year.

(c) The commissioner must establish energy conservation programs for low-income households funded through contributions to the energy and conservation account under paragraph (b). When establishing energy conservation programs for low-income households, the commissioner must consult political subdivisions, utilities, and nonprofit and community organizations, including organizations providing energy and weatherization assistance to low-income households. The commissioner must record and report expenditures and energy savings achieved as a result of energy conservation programs for low-income households funded through the energy and conservation account in the report required under section 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or consumer-owned utility to implement low-income programs funded through the energy and conservation account.

(d) A consumer-owned utility may petition the commissioner to modify the required spending under this subdivision if the consumer-owned utility and the commissioner were unable to expend the amount required for three consecutive years.

(e) The commissioner must develop and establish guidelines for determining the eligibility of multifamily buildings to participate in energy conservation programs provided to low-income households. Notwithstanding the definition of low-income household in section 216B.2402, a consumer-owned utility or association may apply the most recent guidelines published by the department for purposes of determining the eligibility of multifamily buildings to participate in low-income programs. The commissioner must convene a stakeholder group to review and update these guidelines by August 1, 2021, and at least once every five years thereafter. The stakeholder group must include but is not limited to representatives of public utilities; municipal electric or gas utilities; electric cooperative associations; multifamily housing owners and developers; and low-income advocates.

(f) Up to 15 percent of a consumer-owned utility's spending on low-income energy conservation programs may be spent on preweatherization measures. A consumer-owned utility is prohibited

from claiming energy savings from preweatherization measures toward the consumer-owned utility's energy savings goal.

(g) The commissioner must, by order, establish a list of preweatherization measures eligible for inclusion in low-income energy conservation programs no later than March 15, 2022.

(h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate account in the special revenue fund in the state treasury. A consumer-owned utility may elect to contribute money to the Healthy AIR account to provide preweatherization measures for households eligible for weatherization assistance from the state weatherization assistance program in section 216C.264. Remediation activities must be executed in conjunction with federal weatherization assistance program services. Money contributed to the account by a consumer-owned utility counts toward: (1) the minimum low-income spending requirement under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f). Money in the account is annually appropriated to the commissioner of commerce to pay for Healthy AIR-related activities.

(i) This paragraph applies to a consumer-owned utility that supplies electricity to a low-income household whose primary heating fuel is supplied by an entity other than a public utility. Any spending on space and water heating energy conservation improvements and efficient fuel-switching by the consumer-owned utility on behalf of the low-income household may be applied to the consumer owned utility's spending requirement under paragraph (a). To the maximum extent possible, a consumer-owned utility providing services under this paragraph must offer the services in conjunction with weatherization services provided under section 216C.264.

Sec. 10. Minnesota Statutes 2022, section 216B.2403, subdivision 8, is amended to read:

Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching improvement is deemed efficient if, applying the technical criteria established under section 216B.241, subdivision 1d, paragraph (e), the improvement, relative to the fuel being displaced:

(1) results in a net reduction in the amount of source energy consumed for a particular use, measured on a fuel-neutral basis, using (i) the consumer-owned utility's or the utility's electricity supplier's annual system average efficiency, or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the electric utility system over the measure's life;

(2) results in a net reduction of statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching improvement installed by an electric consumer-owned utility, the reduction in emissions must be measured based on the hourly emissions profile of the consumer owned utility or the utility's electricity supplier, as reported in the most recent resource plan approved by the commission under section 216B.2422. If the hourly emissions profile is not available, the commissioner must develop a method consumer-owned utilities must use to estimate that value using (i) the consumer-owned utility's or the utility's electricity supplier's annual average emissions factor, or (ii) if the utility elects, the seasonal, monthly, or more granular level of analysis for the electric utility system over the measure's life; and

(3) is cost-effective, considering the costs and benefits from the perspective of the consumer-owned utility, participants, and society; and.

~~(4) is installed and operated in a manner that improves the consumer-owned utility's system load factor.~~

(b) For purposes of this subdivision, "source energy" means the total amount of primary energy required to deliver energy services, adjusted for losses in generation, transmission, and distribution, and expressed on a fuel-neutral basis.

Sec. 11. Minnesota Statutes 2022, section 216B.241, subdivision 2, is amended to read:

Subd. 2. Public utility; energy conservation and optimization plans. (a) The commissioner may require a public utility to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers.

(b) A public utility shall file an energy conservation and optimization plan by June 1, on a schedule determined by order of the commissioner, but at least every three years. As provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching improvements and load management. An individual utility program may combine elements of energy conservation, load management, or efficient fuel-switching. The plan must estimate the lifetime energy savings and cumulative lifetime energy savings projected to be achieved under the plan. A plan filed by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year.

(c) The commissioner shall evaluate the plan on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in an energy conservation program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(d) The commissioner may require a utility subject to subdivision 1c to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy.

(e) Each public utility subject to this subdivision may spend and invest annually up to ten percent of the total amount ~~spent and invested~~ that the public utility spends and invests on energy conservation, efficient fuel-switching, or load management improvements under this section ~~by the public utility~~ on research and development projects that meet the applicable definition of energy conservation, efficient fuel-switching, or load management improvement.

(f) The commissioner shall consider and may require a public utility to undertake an energy conservation program or efficient fuel-switching program, subject to the requirements of subdivisions 11 and 12, that is suggested by an outside source, including a political subdivision, a nonprofit corporation, or community organization. In approving a proposal under this paragraph, the commissioner must consider the qualifications and experience of the entity proposing the program and any other criteria the commissioner deems relevant.

(g) A public utility, a political subdivision, or a nonprofit or community organization that has suggested an energy conservation program, the attorney general acting on behalf of consumers and small business interests, or a public utility customer that has suggested an energy conservation program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the energy conservation program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that an energy conservation program is not in the public interest.

(h) The commissioner may order a public utility to include, with the filing of the public utility's annual status report, the results of an independent audit of the public utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the public utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the public utility that is the result of the public utility's spending and investments. The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

(i) The energy conservation and optimization plan of each public utility subject to this section must include activities to improve energy efficiency in public schools served by the utility. As applicable to each public utility, at a minimum the activities must include programs to increase the efficiency of the school's lighting and heating and cooling systems, and to provide for building recommissioning, building operator training, and opportunities to educate students, teachers, and staff regarding energy efficiency measures implemented at the school.

(j) The commissioner may require investments or spending greater than the amounts proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose most recent advanced forecast required under section 216B.2422 projects a peak demand deficit of 100 megawatts or more within five years under midrange forecast assumptions.

(k) A public utility filing a conservation and optimization plan that includes an efficient fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels that the requirements of subdivisions 11 or 12 are met,~~ as applicable, using a full fuel-cycle energy analysis.

Sec. 12. Minnesota Statutes 2022, section 216B.241, subdivision 11, is amended to read:

Subd. 11. Programs for efficient fuel-switching improvements; electric utilities. (a) A public utility providing electric service at retail may include in the plan required under subdivision 2 a proposed goal for efficient fuel-switching improvements that the utility expects to achieve under the plan and the programs to implement efficient fuel-switching improvements or combinations of energy conservation improvements, fuel-switching improvements, and load management. For each program, the public utility must provide a proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy and demand savings.

(b) The department may approve proposed programs for efficient fuel-switching improvements if the department determines the improvements meet the requirements of paragraph (d). ~~For fuel-switching improvements that require the deployment of electric technologies, the department must also consider whether the fuel-switching improvement can be operated in a manner that facilitates the integration of variable renewable energy into the electric system. The net benefits from an efficient fuel-switching improvement that is integrated with an energy efficiency program approved under this section may be counted toward the net benefits of the energy efficiency program, if the department determines the primary purpose and effect of the program is energy efficiency.~~

(c) A public utility may file a rate schedule with the commission that provides for annual cost recovery of reasonable and prudent costs to implement and promote efficient fuel-switching programs. The utility, department, or other entity may propose, and the commission may not approve, modify, or reject, a proposal for a financial incentive to encourage efficient fuel-switching programs operated by a public utility providing electric service approved under this subdivision. When making a decision on the financial incentive proposal, the commission must apply the considerations established in section 216B.16, subdivision 6c, paragraphs (b) and (c).

(d) A fuel-switching improvement is deemed efficient if, applying the technical criteria established under section 216B.241, subdivision 1d, paragraph (e), the improvement meets the following criteria, relative to the fuel that is being displaced:

(1) results in a net reduction in the amount of source energy consumed for a particular use, measured on a fuel-neutral basis, using (i) the utility's annual system average efficiency, or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the electric utility system over the measure's life;

(2) results in a net reduction of statewide greenhouse gas emissions as defined in section 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching improvement installed by an electric utility, the reduction in emissions must be measured ~~based on the hourly emission profile of the electric utility, using the hourly emissions profile in the most recent resource plan approved by the commission under section 216B.2422~~ using (i) the utility's annual average emissions factor, or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the electric utility system over the measure's life; and

(3) is cost-effective, considering the costs and benefits from the perspective of the utility, participants, and society; ~~and,~~

~~(4) is installed and operated in a manner that improves the utility's system load factor.~~

(e) For purposes of this subdivision, "source energy" means the total amount of primary energy required to deliver energy services, adjusted for losses in generation, transmission, and distribution, and expressed on a fuel-neutral basis.

Sec. 13. Minnesota Statutes 2022, section 216B.241, subdivision 12, is amended to read:

Subd. 12. **Programs for efficient fuel-switching improvements; natural gas utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that provides natural gas service to Minnesota retail customers may propose one or more programs to install electric technologies that reduce the consumption of natural gas by the utility's retail customers as an energy

conservation improvement. The commissioner may approve a proposed program if the commissioner, applying the technical criteria developed under section 216B.241, subdivision 1d, paragraph (e), determines that:

(1) the electric technology to be installed meets the criteria established under section 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

(2) the program is cost-effective, considering the costs and benefits to ratepayers, the utility, participants, and society.

(b) If a program is approved by the commission under this subdivision, the public utility may count the program's energy savings toward its energy savings goal under section 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient fuel-switching achieved through programs approved under this subdivision is energy conservation.

(c) A public utility may file rate schedules with the commission that provide annual cost-recovery for programs approved by the department under this subdivision, including reasonable and prudent costs to implement and promote the programs.

(d) The commission may approve, modify, or reject a proposal made by the department or a utility for an incentive plan to encourage efficient fuel-switching programs approved under this subdivision, applying the considerations established under section 216B.16, subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive mechanism that is calculated based on the combined energy savings and net benefits that the commission has determined have been achieved by a program approved under this subdivision, provided the commission determines that the financial incentive mechanism is in the ratepayers' interest.

~~(e) A public utility is not eligible for a financial incentive for an efficient fuel-switching program under this subdivision in any year in which the utility achieves energy savings below one percent of gross annual retail energy sales, excluding savings achieved through fuel-switching programs.~~

Sec. 14. Minnesota Statutes 2023 Supplement, section 216C.08, is amended to read:

216C.08 JURISDICTION.

(a) The commissioner has sole authority and responsibility for the administration of sections 216C.05 to 216C.30 and 216C.375 to administer this chapter. Other laws notwithstanding, the authority granted to the commissioner shall supersede under this section supersedes the authority given any other agency whenever overlapping, duplication, or additional administrative or legal procedures might occur in the administration of sections 216C.05 to 216C.30 and 216C.375 administering this chapter. The commissioner shall consult with other state departments or agencies in matters related to energy and shall contract with them the other state departments or agencies to provide appropriate services to effectuate the purposes of sections 216C.05 to 216C.30 and 216C.375 this chapter. Any other department, agency, or official of this state or political subdivision thereof which would in any way affect the administration or enforcement of sections 216C.05 to 216C.30 and 216C.375 this chapter shall cooperate and coordinate all activities with the commissioner to assure orderly and efficient administration and enforcement of sections 216C.05 to 216C.30 and 216C.375 this chapter.

(b) The commissioner shall designate a liaison officer whose duty shall be to insure the maximum possible consistency in procedures and to eliminate duplication between the commissioner and the other agencies that may be involved in energy.

Sec. 15. Minnesota Statutes 2023 Supplement, section 216C.09, is amended to read:

216C.09 COMMISSIONER DUTIES.

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy ~~conservation~~ measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 16. Minnesota Statutes 2022, section 216C.10, is amended to read:

216C.10 COMMISSIONER POWERS.

(a) The commissioner may:

(1) adopt rules under chapter 14 as necessary to carry out the purposes of ~~sections 216C.05 to 216C.30~~ this chapter;

(2) make all contracts under ~~sections 216C.05 to 216C.30~~ this chapter and do all things necessary to cooperate with the United States government, and to qualify for, accept, and disburse any grant intended ~~for the administration of sections 216C.05 to 216C.30~~ to administer this chapter;

(3) provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems;

(4) administer for the state, energy programs under federal law, regulations, or guidelines, and coordinate the programs and activities with other state agencies, units of local government, and educational institutions;

(5) develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;

(6) perform market analysis studies relating to conservation, alternative and renewable energy resources, and energy recovery;

(7) assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects;

(8) manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner;

(9) intervene in certificate of need proceedings before the Public Utilities Commission;

(10) collect fees from recipients of loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations, which fees must be used to pay the department's costs in administering those financial aids; and

(11) collect fees from proposers and operators of conservation and other energy-related programs that are reviewed, evaluated, or approved by the department, other than proposers that are political subdivisions or community or nonprofit organizations, to cover the department's cost in making the review, evaluation, or approval and in developing additional programs for others to operate.

(b) Notwithstanding any other law, the commissioner is designated the state agent to apply for, receive, and accept federal or other funds made available to the state for the purposes of ~~sections 216C.05 to 216C.30~~ this chapter.

Sec. 17. Minnesota Statutes 2022, section 216C.435, subdivision 3a, is amended to read:

Subd. 3a. ~~Cost-effective Energy improvements.~~ "Cost-effective Energy improvements" means:

(1) any new construction, renovation, or retrofitting of qualifying commercial real property to improve energy efficiency that: (i) is permanently affixed to the property; ~~and (ii) results in a net reduction in energy consumption without altering the principal source of energy, and has been identified or greenhouse gas emissions, as documented in an energy audit as repaying the purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices or emissions avoided;~~

(2) any renovation or retrofitting of qualifying residential real property that is permanently affixed to the property and is eligible to receive an incentive through a program offered by the electric or natural gas utility that provides service under section 216B.241 to the property or is otherwise determined to be ~~a cost-effective~~ an eligible energy improvement by the commissioner under section 216B.241, subdivision 1d, paragraph (a);

(3) permanent installation of new or upgraded electrical circuits and related equipment to enable electrical vehicle charging; or

(4) a solar voltaic or solar thermal energy system attached to, installed within, or proximate to a building that generates electrical or thermal energy from a renewable energy source that has been ~~identified~~ documented in an energy audit or renewable energy system feasibility study ~~as repaying their purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices, along with the estimated amount of related renewable energy production.~~

Sec. 18. Minnesota Statutes 2022, section 216C.435, subdivision 3b, is amended to read:

Subd. 3b. **Commercial PACE loan contractor.** "Commercial PACE loan contractor" means a person or entity that installs ~~cost-effective energy~~ eligible improvements financed under a commercial PACE loan program.

Sec. 19. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 3e. **Eligible improvement.** "Eligible improvement" means one or more energy improvements, resiliency improvements, or water improvements made to qualifying real property.

Sec. 20. Minnesota Statutes 2022, section 216C.435, subdivision 4, is amended to read:

Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy consumption of a building by a certified energy auditor, whose certification is approved by the commissioner, for the purpose of identifying appropriate energy improvements that could be made to the building and including an estimate of the ~~length of time a specific energy improvement will take to repay its purchase and installation costs, based on the amount of energy saved and estimated future energy prices~~ effective useful life, the reduction of energy consumption, and the related avoided greenhouse gas emissions resulting from the proposed eligible improvements.

Sec. 21. Minnesota Statutes 2023 Supplement, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, a commercial or industrial building, or farmland, as defined in section 216C.436, subdivision 1b, that the implementing entity has determined, after review of an energy audit, renewable energy system feasibility study, water improvement study, resiliency improvement study, or agronomic assessment, as defined in section 216C.436, subdivision 1b, can benefit from ~~the installation of cost-effective energy~~ installing eligible improvements or land and water improvements, as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

Sec. 22. Minnesota Statutes 2022, section 216C.435, subdivision 10, is amended to read:

Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system feasibility study" means a written study, conducted by a contractor trained to perform that analysis, for the purpose of determining the feasibility of installing a renewable energy system in a building, including an estimate of the ~~length of time a specific~~ effective useful life, the production of renewable energy, and any related avoided greenhouse gas emissions of the proposed renewable energy system will take to repay its purchase and installation costs, based on the amount of energy saved and estimated future energy prices. For a geothermal energy improvement, the feasibility study must calculate net savings in terms of nongeothermal energy and costs.

Sec. 23. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 11a. **Resiliency improvement.** "Resiliency improvement" means one or more installations or modifications to eligible commercial real property that are designed to improve a property's resiliency by improving the eligible real property's:

- (1) structural integrity for seismic events;
- (2) indoor air quality;
- (3) durability to resist wind, fire, and flooding;

(4) ability to withstand an electric power outage;

(5) stormwater control measures, including structural and nonstructural measures to mitigate stormwater runoff;

(6) ability to mitigate the impacts of extreme temperatures; or

(7) ability to mitigate greenhouse gas embodied emissions from the eligible real property.

Sec. 24. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 11b. **Resiliency improvement feasibility study.** "Resiliency improvement feasibility study" means a written study that is conducted by a contractor trained to perform the analysis to: (1) determine the feasibility of installing a resiliency improvement; (2) document the improved resiliency capabilities of the property; and (3) estimate the effective useful life of the proposed resiliency improvements.

Sec. 25. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 14. **Water improvement.** "Water improvement" means one or more installations or modifications to qualifying commercial real property that are designed to improve water efficiency or water quality by:

(1) reducing water consumption;

(2) improving the quality, potability, or safety of water for the qualifying property; or

(3) conserving or remediating water, in whole or in part, on qualifying real property.

Sec. 26. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 15. **Water improvement feasibility study.** "Water improvement feasibility study" means a written study that is conducted by a contractor trained to perform the analysis to: (1) determine the appropriate water improvements that could be made to the building; and (2) estimate the effective useful life, the reduction of water consumption, and any improvement in water quality resulting from the proposed water improvements.

Sec. 27. Minnesota Statutes 2022, section 216C.436, subdivision 1, is amended to read:

Subdivision 1. **Program purpose and authority.** An implementing entity may establish a commercial PACE loan program to finance ~~cost-effective energy, water, and resiliency improvements~~ to enable owners of qualifying commercial real property to pay for ~~the cost-effective energy~~ eligible improvements to the qualifying real property with the net proceeds and interest earnings of revenue bonds authorized in this section. An implementing entity may limit the number of qualifying commercial real properties for which a property owner may receive program financing.

Sec. 28. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 1b, is amended to read:

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

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

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

(d) "Land and water improvement" means:

(1) an improvement to farmland that:

(i) is permanent;

(ii) results in improved agricultural profitability or resiliency;

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

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

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

(e) "Resiliency" means:

(1) the ability of farmland to maintain and enhance profitability, soil health, and water quality;

(2) the ability to mitigate greenhouse gas embodied emissions from an eligible real property;

or

(3) an increase in building resilience through flood mitigation, stormwater management, wildfire and wind resistance, energy storage use, or microgrid use.

Sec. 29. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 2, is amended to read:

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

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

(2) require an energy audit, renewable energy system feasibility study, resiliency improvement study, water improvement study, or agronomic or soil health assessment to be conducted on the

qualifying commercial real property and reviewed by the implementing entity prior to approval of the financing;

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

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

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

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

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

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

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

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

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

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

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

Sec. 30. Minnesota Statutes 2022, section 216C.436, subdivision 4, is amended to read:

Subd. 4. **Financing terms.** Financing provided under this section must have:

(1) a cost-weighted average maturity not exceeding the useful life of the ~~energy~~ eligible improvements installed, as determined by the implementing entity, but in no event may a term exceed ~~20~~ 30 years;

(2) a principal amount not to exceed the lesser of:

(i) the greater of ~~20~~ 30 percent of the assessed value of the real property on which the improvements are to be installed or ~~20~~ 30 percent of the real property's appraised value, accepted or approved by the mortgage lender; or

(ii) the actual cost of installing the energy eligible improvements, including the costs of necessary equipment, materials, and labor; ~~the costs of each related energy audit or~~ renewable energy system feasibility study, water improvement study, or resiliency improvement study; and the cost of verification of installation; and

(3) an interest rate sufficient to pay the financing costs of the program, including the issuance of bonds and any financing delinquencies.

Sec. 31. Minnesota Statutes 2022, section 216C.436, subdivision 7, is amended to read:

Subd. 7. **Repayment.** An implementing entity that finances an energy eligible improvement under this section must:

(1) secure payment with a lien against the qualifying commercial real property; and

(2) collect repayments as a special assessment as provided for in section 429.101 or by charter, provided that special assessments may be made payable in up to ~~20~~ 30 equal annual installments.

If the implementing entity is an authority, the local government that authorized the authority to act as implementing entity shall impose and collect special assessments necessary to pay debt service on bonds issued by the implementing entity under subdivision 8, and shall transfer all collections of the assessments upon receipt to the authority.

Sec. 32. Minnesota Statutes 2022, section 216C.436, subdivision 8, is amended to read:

Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue bonds as provided in chapter 475 for the purposes of this section and section 216C.437, provided the revenue bond must not be payable more than ~~20~~ 30 years from the date of issuance.

(b) The bonds must be payable as to both principal and interest solely from the revenues from the assessments established in subdivision 7 and section 216C.437, subdivision 28.

(c) No holder of bonds issued under this subdivision may compel any exercise of the taxing power of the implementing entity that issued the bonds to pay principal or interest on the bonds, and if the implementing entity is an authority, no holder of the bonds may compel any exercise of the taxing power of the local government. Bonds issued under this subdivision are not a debt or obligation of the issuer or any local government that issued them, nor is the payment of the bonds enforceable out of any money other than the revenue pledged to the payment of the bonds.

Sec. 33. Minnesota Statutes 2022, section 216C.436, subdivision 10, is amended to read:

Subd. 10. **Improvements; real property or fixture.** ~~A cost-effective energy~~ An eligible improvement financed under a PACE loan program, including all equipment purchased in whole

or in part with loan proceeds under a loan program, is deemed real property or a fixture attached to the real property.

Sec. 34. **ADVANCED NUCLEAR TECHNOLOGIES STUDY.**

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

(1) "advanced nuclear reactor" means a small modular reactor or a molten sodium reactor;

(2) "molten sodium reactor" means a nuclear fission reactor that uses a fluid fuel in the form of very hot fluoride or chloride salt; and

(3) "small modular reactor" means a nuclear fission reactor that (i) has a capacity of 300 megawatts or less, and (ii) can be factory assembled and transported as a unit.

Subd. 2. **Study required.** (a) The commissioner of commerce must conduct a study evaluating the potential costs, benefits, and impacts of advanced nuclear reactors operating in Minnesota.

(b) At a minimum, the study must analyze the impacts the operation of advanced nuclear reactors have on:

(1) air emissions from electric generating facilities in Minnesota;

(2) retail electricity prices;

(3) reliability of Minnesota's electric grid;

(4) the state's air resources, water resources, land resources, and public health, including the impact of any waste material generated by the reactors;

(5) new employment opportunities for Minnesota workers;

(6) local economic development;

(7) Minnesota's eligible energy technology standard under Minnesota Statutes, section 216B.1691, subdivision 2a; and

(8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691, subdivision 2g.

(c) The study must also identify Minnesota statutes and administrative rules that would require modifications in order to enable the construction and operation of advanced nuclear reactors.

(d) The study must evaluate the technologies and methods most likely to minimize the environmental impacts of nuclear waste and the costs of managing nuclear waste.

Subd. 3. **Report.** The commissioner of commerce must submit the results of the study under subdivision 2 to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy no later than January 31, 2025.

Sec. 35. **THERMAL ENERGY NETWORK DEPLOYMENT WORK GROUP.**

Subdivision 1. **Direction.** The Public Utilities Commission must establish and appoint a thermal energy network deployment work group to examine the potential regulatory opportunities for regulated natural gas utilities to deploy thermal energy networks and potential barriers to development. The work group must examine the public benefits, costs, and impacts of deployment of thermal energy networks, as well as examine rate design options.

Subd. 2. **Membership.** (a) The work group consists of at least the following:

- (1) representatives of the Department of Commerce;
- (2) representatives of the Department of Health;
- (3) representatives of the Pollution Control Agency;
- (4) representatives of the Department of Natural Resources;
- (5) representatives of the Office of the Attorney General;
- (6) representatives from utilities;
- (7) representatives from clean energy advocacy organizations;
- (8) representatives from labor organizations;
- (9) geothermal technology providers;
- (10) representatives from consumer protection organizations;
- (11) representatives from cities; and
- (12) representatives from low-income communities.

(b) The executive director may invite others to participate in one or more meetings of the work group.

Subd. 3. **Duties.** The work group must prepare a report containing findings and recommendations regarding how to deploy thermal energy networks within a regulated context in a manner that protects the public interest and considers reliability, affordability, environmental impacts, and socioeconomic impacts.

Subd. 4. **Report to legislature.** The work group must submit a report detailing the work group's findings and recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over energy policy and finance by December 31, 2025. The work group terminates the day after the report under this subdivision is submitted.

Subd. 5. **Notice and comment period.** The executive secretary of the Public Utilities Commission must file the completed report in Public Utilities Commission Docket No. G-999/CI-21-565 and provide notice to all docket participants and other interested persons that comments on the findings and recommendations may be filed in the docket.

Subd. 6. **Definition.** For the purposes of this section, "thermal energy network" means a project that provides heating and cooling to multiple buildings connected via underground piping containing fluids that, in concert with heat pumps, exchange thermal energy from the earth and underground or surface waters.

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

Sec. 36. **THERMAL ENERGY NETWORK SITE SUITABILITY STUDY.**

(a) The Department of Commerce must conduct or contract for a study to determine the suitability of sites to deploy thermal energy networks statewide.

(b) The study must:

(1) identify areas more and less suitable for deployment of thermal energy networks statewide;
and

(2) identify potential barriers to thermal energy networks and potential ways to address the barriers.

(c) In determining site suitability, the study must consider:

(1) geologic or hydrologic access to thermal storage;

(2) existing built environment, including but not limited to age, density, building uses, existing heating and cooling systems, and existing electrical services;

(3) the condition of existing natural gas infrastructure;

(4) road and street conditions, including planned replacement or maintenance;

(5) local land use regulation;

(6) area permitting requirements; and

(7) whether the area is an environmental justice area, as defined in Minnesota Statutes, section 116.065, subdivision 1, paragraph (e).

(c) No later than January 15, 2026, the Department of Commerce must submit a written report documenting the study's findings to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy and finance."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for energy, utilities, environment, and climate; requiring utilities to accept an individual taxpayer identification number when new customers apply for utility service; allowing public utilities providing electric service to propose goals for efficient fuel-switching improvement achievements to the commissioner of commerce; modifying the commercial property assessed clean energy program; making technical changes to various provisions governing or administered by the Department of Commerce; amending

Minnesota Statutes 2022, sections 216B.098, by adding a subdivision; 216B.16, subdivisions 6c, 8; 216B.2402, subdivision 10, by adding a subdivision; 216B.2403, subdivisions 2, 3, 5, 8; 216B.241, subdivisions 2, 11, 12; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10; Minnesota Statutes 2023 Supplement, sections 116C.779, subdivision 1; 216C.08; 216C.09; 216C.435, subdivision 8; 216C.436, subdivisions 1b, 2; proposing coding for new law in Minnesota Statutes, chapter 216C."

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

Senator Putnam from the Committee on Agriculture, Broadband, and Rural Development, to which was referred

S.F. No. 3955: A bill for an act relating to agriculture; increasing base funding for the agricultural growth, research, and innovation program; amending Laws 2023, chapter 43, article 1, section 2, subdivision 4.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parenthesis, subtracted from the appropriation in Laws 2023, chapter 43, or 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.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2024</u>	<u>2025</u>
Sec. 2. <u>DEPARTMENT OF AGRICULTURE</u>	<u>\$</u>	<u>475,000</u>	<u>\$ 1,650,000</u>
<u>(a) \$750,000 the second year is for home water treatment such as reverse osmosis treatment for private wells that are tested at or above the maximum contaminant level of 10 mg/L and located in Dodge, Fillmore,</u>			

Goodhue, Houston, Mower, Olmsted, or Wabasha County. Priority must be given to households at or below 300 percent of the federal poverty guidelines and households with infants and pregnant individuals. This appropriation may also be used for education, outreach, and technical assistance to homeowners. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

By December 15 each year through 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and health detailing the use of this appropriation and the number of households served in each county.

(b) \$500,000 the second year is for the soil health financial assistance program under Minnesota Statutes, section 17.134, for projects located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or Wabasha County. The commissioner may award no more than \$50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027. This appropriation is in addition to the appropriation in Laws 2023, chapter 43, article 1, section 2, subdivision 2, paragraph (b). This is a onetime appropriation.

(c) \$50,000 the first year is to convene a working group of interested parties, including representatives from the Department of Natural Resources, to investigate and recommend options for addressing crop and

fence destruction due to Cervidae. By February 1, 2025, the commissioner must submit a report on the findings and recommendations of the working group to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(d) \$100,000 the second year is to develop and enhance farm-to-school markets by providing more fruits, vegetables, meat, poultry, grain, and dairy for children in schools and early childhood education centers, child care centers, and family child care programs, including, at the commissioner's discretion, providing grants to reimburse schools, early childhood education centers, child care centers, and family child care programs for purchasing equipment and agricultural products. This appropriation is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Any unencumbered balance at the end of the second year may be used for other purposes under the agricultural growth, research, and innovation program and is available until June 30, 2027. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is in addition to the appropriation in Laws 2023, chapter 43, article 1, section 2, subdivision 4, paragraph (c). This is a onetime appropriation.

(e) \$300,000 the second year is for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this paragraph, a grant applicant must document

a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to \$2,000 to cover time and labor costs. This appropriation is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) \$375,000 the first year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. This appropriation is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. Grants may be used for costs, including but not limited to:

(1) equipment required for a meat cutting program;

(2) facility renovation to accommodate meat cutting; and

(3) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to \$75,000 and may use up to ten percent of the grant for faculty training. Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities institutions or with local industry partners.

By January 15, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2025, the commissioner must submit an additional report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2025.

(g) \$50,000 the first year is to prepare a report on agricultural land trends. For the purposes of this section, "agricultural land" means property classified as class 2a agricultural land or class 2b rural vacant land under Minnesota Statutes, section 273.13, subdivision 23. The report must include the following:

(1) information about agricultural land sales, including the price, number of acres, type of buyer, and type of financing used;

(2) information about agricultural land use, including differences among regions; and

(3) legislative recommendations for ensuring that agricultural land is available to farmers.

No data included in this report shall reveal personally identifiable information. The commissioner may contract with external experts to develop this report and may coordinate with the Department of Revenue, University of Minnesota Extension, and Minnesota State Colleges and Universities.

No later than January 3, 2025, the commissioner must submit the report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

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

Sec. 3. Laws 2023, chapter 43, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$	92,025,000 <u>88,025,000</u>	\$	72,223,000 <u>76,643,000</u>
Appropriations by Fund				
		2024		2025
		91,626,000		71,824,000
General		<u>87,626,000</u>		<u>76,244,000</u>
Remediation		399,000		399,000

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

Sec. 4. Laws 2023, chapter 43, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Protection Services

Appropriations by Fund				
		2024		2025
				18,743,000
General		32,034,000		<u>18,818,000</u>
Remediation		399,000		399,000

(a) \$399,000 the first year and \$399,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(b) \$625,000 the first year and \$625,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than \$50,000 of the appropriation each year to a single recipient. The commissioner may use up to 6.5 percent

of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027. The base for this appropriation is \$639,000 in fiscal year 2026 and each year thereafter.

(c) \$800,000 the first year is for transfer to the pollinator research account established under Minnesota Statutes, section 18B.051. The base for this transfer is \$100,000 in fiscal year 2026 and each year thereafter.

(d) \$150,000 the first year and \$150,000 the second year are for transfer to the noxious weed and invasive plant species assistance account established under Minnesota Statutes, section 18.89, to award grants under Minnesota Statutes, section 18.90, to counties, municipalities, and other weed management entities, including Minnesota Tribal governments as defined in Minnesota Statutes, section 10.65. This is a onetime appropriation.

(e) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2023. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(f) ~~\$155,000~~ the first year and ~~\$155,000~~ \$230,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$40,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. The base for this appropriation is \$155,000 in fiscal year 2026 and each year thereafter.

(g) \$825,000 the first year and \$825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(h) \$75,000 the first year and \$75,000 the second year are to support a meat processing liaison position to assist new or existing meat and poultry processing operations in getting started, expanding, growing, or transitioning into new business models.

(i) \$2,200,000 the first year and \$1,650,000 the second year are additional funding to maintain the current level of service delivery for programs under this subdivision. The base for this appropriation is \$1,925,000 for fiscal year 2026 and each year thereafter.

(j) \$250,000 the first year and \$250,000 the second year are for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous-living

cover crops and cropping systems in the early stages of commercial development. For the purposes of this paragraph, "continuous-living cover crops and cropping systems" refers to agroforestry, perennial biomass, perennial forage, perennial grains, and winter-annual cereal grains and oilseeds that have market value as harvested or grazed commodities. By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to. The commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation.

(k) \$45,000 the first year and \$45,000 the second year are appropriated for wolf-livestock conflict-prevention grants. The commissioner may use some of this appropriation to support nonlethal prevention work performed by federal wildlife services. This is a onetime appropriation.

(l) \$10,000,000 the first year is for transfer to the grain indemnity account established in Minnesota Statutes, section 223.24. This is a onetime transfer.

(m) \$125,000 the first year and \$125,000 the second year are for the PFAS in pesticides review. This is a onetime appropriation.

(n) \$1,941,000 the first year is for transfer to the food handler license account. This is a onetime transfer.

Sec. 5. Laws 2023, chapter 43, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. Agricultural Marketing and Development	5,165,000	4,985,000
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(a) \$150,000 the first year and \$150,000 the second year are to expand international trade opportunities and markets for Minnesota agricultural products.

(b) \$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2025, for Minnesota grown grants in this paragraph are available until June 30, 2027.

(c) \$634,000 the first year and \$634,000 the second year are for the continuation of the dairy development and profitability enhancement programs, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(d) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(e) \$600,000 the first year and \$420,000 the second year are to maintain the current level of service delivery. The base for this appropriation is ~~\$490,000~~ \$510,000 for fiscal year 2026 and each year thereafter.

(f) \$100,000 the first year and \$100,000 the second year are for mental health outreach and support to farmers, ranchers, and others in the agricultural community and for farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(g) \$100,000 the first year and \$100,000 the second year are to award and administer grants ~~for infrastructure~~ and other forms of financial assistance to support EBT, SNAP, SFMNP, and related programs at farmers markets. Grants may be used for staff costs associated with program administration, compliance, and reporting. The commissioner may use up to 6.5 percent of the appropriation each year to administer the grant program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(h) \$200,000 the first year and \$200,000 the second year are to award cooperative grants under Minnesota Statutes, section 17.1016. The commissioner may use up to 6.5 percent of the appropriation each year to administer the grant program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

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

Sec. 6. Laws 2023, chapter 43, article 1, section 2, subdivision 4, is amended to read:

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement	37,809,000	33,809,000
	<u>33,809,000</u>	<u>38,154,000</u>

(a) \$10,702,000 the first year and \$10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money

expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 the first year and up to \$1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) \$2,250,000 the first year and \$2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) \$450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) \$350,000 the first year and \$350,000 the second year are for potato breeding;

(6) \$802,000 the first year and \$802,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and

winter-annual crops into existing agricultural practices. The base for the allocation under this clause is \$802,000 in fiscal year 2026 and each year thereafter. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to; ~~and~~

(7) \$350,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime-;

(8) \$200,000 the second year is for research on natural stands of wild rice; and

(9) \$250,000 the second year is for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist.

(b) The base for the agriculture research, education, extension, and technology transfer program is \$10,352,000 in fiscal year 2026 and \$10,352,000 in fiscal year 2027.

(c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and \$23,107,000 the second year are~~ is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation ~~each year~~ among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural

businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year ~~and \$1,000,000 the second year~~ are is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the first year ~~and \$5,750,000 the second year~~ are is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025, ~~and the second year appropriation is available until June 30, 2026~~. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. ~~The base under this clause is \$3,000,000 in fiscal year 2026 and each year thereafter;~~

(3) ~~\$3,375,000 the first year and \$3,375,000 the second year are~~ is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than ~~40~~ 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. ~~The base under this clause is \$3,000,000 for fiscal year 2026 and each year thereafter;~~

(4) ~~\$1,250,000 the first year and \$1,250,000 the second year are~~ is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. ~~The base under this clause is \$250,000 in fiscal year 2026 and each year thereafter;~~

(5) ~~\$1,150,000 the first year and \$1,150,000 the second year are for~~ is to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and schools, early childhood education centers, child care centers, and family child care programs, including, at the commissioner's discretion, providing grants to reimburse schools and, early childhood education centers, child care centers, and family child care programs, for purchasing equipment and agricultural products. Of the amount appropriated, \$150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is \$1,294,000 in fiscal year 2026 and each year thereafter;

(6) ~~\$4,000,000 the first year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per~~

~~participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. The allocation in this clause is onetime;~~

~~(7)~~ (6) \$2,000,000 the first year ~~and \$2,000,000 the second year~~ are is for urban youth agricultural education or urban agriculture community development; and

~~(8)~~ (7) \$1,000,000 the first year ~~and \$1,000,000 the second year~~ are is for the good food access program under Minnesota Statutes, section 17.1017.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) \$27,452,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including

by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the second year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the second year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is \$3,000,000 in fiscal year 2026 and each year thereafter;

(3) \$3,375,000 the second year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000

is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. The base under this clause is \$3,000,000 for fiscal year 2026 and each year thereafter;

(4) \$1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be used for other purposes under this paragraph. The base under this

clause is \$250,000 in fiscal year 2026 and each year thereafter;

(5) \$1,150,000 the first year is to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, poultry, grain, and dairy for children in schools, early childhood education centers, child care centers, and family child care programs, including, at the commissioner's discretion, providing grants to reimburse schools, early childhood education centers, child care centers, and family child care programs for purchasing equipment and agricultural products. Of the amount appropriated, \$150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is \$1,294,000 in fiscal year 2026 and each year thereafter;

(6) \$4,000,000 the second year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance on June 30, 2026, may be used for other purposes under this paragraph. The allocation in this clause is onetime;

(7) \$2,000,000 the second year is for urban youth agricultural education or urban agriculture community development; and

(8) \$1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017.

Notwithstanding Minnesota Statutes, section 16A.28, this appropriation does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.

~~(d)~~ (e) The base for the agricultural growth, research, and innovation program is ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026 and each year thereafter and includes \$200,000 each year for cooperative development grants.

Sec. 7. Laws 2023, chapter 43, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Administration and Financial Assistance	16,618,000	14,287,000
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(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$350,000 the first year and \$350,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is \$250,000 in fiscal year 2026 and each year thereafter.

(c) \$2,000 the first year is for a grant to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the

end of the first year and is available for the second year.

(d) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. This is a onetime appropriation.

(e) \$60,000 the first year and \$60,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. This is a onetime appropriation.

(f) \$34,000 the first year and \$34,000 the second year are for grants to the Minnesota State Horticultural Society. This is a onetime appropriation.

(g) \$25,000 the first year and \$25,000 the second year are for grants to the Center for Rural Policy and Development. This is a onetime appropriation.

(h) \$75,000 the first year and \$75,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2025, the council must submit the report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance and policy. This is a onetime appropriation.

(i) \$100,000 the first year and \$100,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

(j) \$1,950,000 the first year and \$1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following purposes:

(1) at least \$850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered

balance the first year does not cancel and is available the second year;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed. The base for this appropriation is \$1,700,000 for fiscal year 2026 and each year thereafter.

(k) \$25,000 the first year and \$25,000 the second year are for grants to the Southern

Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(l) \$300,000 the first year and \$300,000 the second year are for grants to The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota. This is a onetime appropriation.

(m) \$750,000 the first year and \$750,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the Emerging Farmer Working Group established under Minnesota Statutes, section 17.055, subdivision 1. The base for this appropriation is \$1,000,000 in fiscal year 2026 and each year thereafter.

(n) \$50,000 the first year is to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.

(o) \$337,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$50,000 the first year and \$50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with

transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(p) \$260,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(q) \$1,000,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(r) \$1,084,000 the first year and \$500,000 the second year are to support IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation.

(s) \$275,000 the first year is for technical assistance grants to certified community development financial institutions that participate in United States Department of Agriculture loan or grant programs for small or emerging farmers, including but not limited to the Increasing Land, Capital, and Market Access Program. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered

balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(t) \$1,425,000 the first year and \$1,425,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117.

(u) \$150,000 the first year and \$150,000 the second year are for administrative support for the Rural Finance Authority.

(v) The base in fiscal years 2026 and 2027 is \$150,000 each year to coordinate climate-related activities and services within the Department of Agriculture and counterparts in local, state, and federal agencies and to hire a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(w) \$1,200,000 the first year and \$930,000 the second year are to maintain the current level of service delivery. The base for this appropriation is ~~\$1,085,000~~ \$1,065,000 in fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000 in fiscal year 2027.

(x) \$250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with a report submitted by January 3, 2024,

and a final report submitted by December 31, 2024. The reports must include a list of equipment purchased, including the cost of each item.

(y) \$1,000,000 the first year and \$1,000,000 the second year are to award and administer down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to ~~emerging~~ farmers experiencing limited land access as defined in Minnesota Statutes, section ~~17.055~~, subdivision 1 17.133, subdivision 1, or farmers who had a net farm profit of \$100,000 or less the previous year. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2025, are available until June 30, 2027.

(z) \$222,000 the first year and \$322,000 the second year are for meat processing training and retention incentive grants under section 5. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(aa) \$300,000 the first year and \$300,000 the second year are for transfer to the Board of Regents of the University of Minnesota to evaluate, propagate, and maintain the genetic diversity of oilseeds, grains, grasses, legumes, and other plants including flax, timothy, barley, rye, triticale, alfalfa, orchard grass, clover, and other species and varieties that were in commercial distribution and use in Minnesota before 1970, excluding wild rice. This effort must also protect traditional seeds brought to Minnesota by immigrant communities. This appropriation includes

funding for associated extension and outreach to small and Black, Indigenous, and People of Color (BIPOC) farmers. This is a onetime appropriation.

(bb) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

Sec. 8. COMMISSIONER OF HEALTH; APPROPRIATIONS.

(a) \$2,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of health to establish a mitigation program for contaminated wells, including testing, repairing, and replacing wells and providing home water treatment, such as reverse osmosis treatment, for private wells that are tested at or above the maximum contaminant level of 10 mg/L located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or Wabasha County. This appropriation is available until June 30, 2027. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs.

(b) By December 15 each year through 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and health detailing the use of the appropriation in this section and the number of households served in each county.

ARTICLE 2

AGRICULTURE POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended to read:

Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner may award and administer equipment and infrastructure grants to beginning farmers. The commissioner shall give preference to applicants who are ~~emerging~~ farmers experiencing limited land access as defined in section 17.133, subdivision 1. Grant money may be used for equipment and infrastructure development.

(b) The commissioner shall develop competitive eligibility criteria and may allocate grants on a needs basis.

(c) Grant projects may continue for up to two years.

Sec. 2. Minnesota Statutes 2022, section 17.116, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Grants may ~~only~~ be made to farmers; and organizations such as farms, agricultural cooperatives, educational institutions, individuals at educational institutions, ~~or~~ nonprofit

organizations, Tribal governments, or local units of government residing or located in the state for research or demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

- (1) the ability to maximize direct or indirect energy savings or production;
- (2) a positive effect or reduced adverse effect on the environment; or
- (3) increased profitability for the individual farm by reducing costs or improving marketing opportunities.

Sec. 3. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) has participated in the business operation of a farm for at least three years;

~~(2)~~ (3) grosses no more than \$250,000 per year from the sale of farm products; and

~~(3)~~ (4) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland.

(c) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(d) "Incubator farm" means a farm where people are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purposes of honing skills and launching farm businesses.

(e) "Limited land access" means farming without ownership of land and:

(1) under a lease or other rental arrangement of no more than three years in duration when the person leasing or renting the land is not related to the lessee or renter by blood or marriage;

(2) farming by renting land from an incubator farm as defined in this section;

(3) farming with no current lease or other rental arrangement; or

(4) farming where access to land is constrained by Tribal land ownership patterns, treaties, or federal and Tribal laws and regulations.

Sec. 4. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended to read:

Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture and rural development, in compliance with sections 3.195 and 3.197, on the farm down payment assistance grants under this section. The report must include:

(1) background information on beginning farmers in Minnesota and any other information that the commissioner and authority find relevant to evaluating the effect of the grants on increasing opportunities for and the number of beginning farmers;

(2) the number and amount of grants;

(3) the geographic distribution of grants by county;

(4) the number of grant recipients who are emerging farmers experiencing limited land access or who have a net farm profit of \$100,000 or less the previous year;

(5) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

(6) the number of farmers who cease to own land and are subject to payment of a penalty, along with the reasons for the land ownership cessation; and

(7) the number and amount of grant applications that exceeded the allocation available in each year.

Sec. 5. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay the inspection fee set under paragraph (e), and until June 30, ~~2024~~ 2034, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

(e) By commissioner's order, the commissioner must set the inspection fee at no less than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a public meeting before increasing the fee by more than five cents per ton.

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

Sec. 6. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2035.

Sec. 7. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2035.

Sec. 8. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2035.

Sec. 9. Minnesota Statutes 2022, section 28A.10, is amended to read:

28A.10 POSTING OF LICENSE; RULES.

All such licenses shall be issued for a period of one year and shall be posted or displayed in a conspicuous place at the place of business so licensed. ~~Except as provided in sections 29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the commissioner shall be deposited into the state treasury and credited to the general fund.~~ The commissioner may adopt such rules in conformity with law as the commissioner deems necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

Sec. 10. Minnesota Statutes 2022, section 31.94, is amended to read:

31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.

(a) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:

(1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;

(2) work with the University of Minnesota and other research and education institutions to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;

(3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;

(4) inform agencies about state or federal programs that support organic agriculture practices; and

(5) work closely with producers, producer organizations, the University of Minnesota, and other appropriate agencies and organizations to identify opportunities and needs as well as ensure

coordination and avoid duplication of state agency efforts regarding research, teaching, marketing, and extension work relating to organic agriculture.

(b) By November 15 of each year that ends in a zero or a five, the commissioner, in conjunction with the task force created in paragraph (c), shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include available data on organic acreage and production, available data on the sales or market performance of organic products, and recommendations regarding programs, policies, and research efforts that will benefit Minnesota's organic agriculture sector.

(c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the University of Minnesota on policies and programs that will improve organic agriculture in Minnesota, including how available resources can most effectively be used for outreach, education, research, and technical assistance that meet the needs of the organic agriculture sector. The task force must consist of the following residents of the state:

- (1) three organic farmers;
- (2) one wholesaler or distributor of organic products;
- (3) one representative of organic certification agencies;
- (4) two organic processors;
- (5) one representative from University of Minnesota Extension;
- (6) one University of Minnesota faculty member;
- (7) one representative from a nonprofit organization representing producers;
- (8) two public members;
- (9) one representative from the United States Department of Agriculture;
- (10) one retailer of organic products; and
- (11) one organic consumer representative.

The commissioner, in consultation with the director of the Minnesota Agricultural Experiment Station; the dean and director of University of Minnesota Extension and the dean of the College of Food, Agricultural and Natural Resource Sciences, shall appoint members to serve three-year terms.

Compensation and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from state and federal sources and spend them, including through grants or contracts, to assist producers and processors to achieve certification, to conduct education or marketing activities, to enter into research

and development partnerships, or to address production or marketing obstacles to the growth and well-being of the industry.

(e) The commissioner may facilitate the registration of state organic production and handling operations including those exempt from organic certification according to Code of Federal Regulations, title 7, section 205.101, and accredited certification agencies operating within the state.

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

Sec. 11. Minnesota Statutes 2022, section 32D.30, is amended to read:

32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.

Subdivision 1. **Program.** The commissioner must implement a dairy development and profitability enhancement program consisting of a dairy profitability enhancement ~~teams and~~ program, dairy business planning grants, and other services to support the dairy industry.

Subd. 2. **Dairy profitability enhancement ~~teams~~ program.** (a) The dairy profitability enhancement ~~teams~~ program must provide ~~one-on-one~~ information and technical assistance to dairy farms of all sizes to enhance their financial success and long-term sustainability. ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state ~~and~~. Assistance to producers from the program may ~~consist of~~ be provided individually, as a team, or through other methods by farm business management instructors, dairy extension specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities including such as comprehensive financial analysis, risk management education, enhanced milk marketing tools and technologies, and facilitating or improving production systems, including rotational grazing and other sustainable agriculture methods, and value-added opportunities.

(b) The commissioner must make grants to regional or statewide organizations qualified to manage the various components of the teams program and serve as program administrators. Each regional or statewide organization must designate a coordinator responsible for overseeing the program and submitting periodic reports to the commissioner regarding aggregate changes in producer financial stability, productivity, product quality, animal health, environmental protection, and other performance measures attributable to the program. The organizations must submit this information in a format that maintains the confidentiality of individual dairy producers.

Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business planning grants of up to \$5,000 per producer or dairy processor to develop comprehensive business plans use technical assistance services for evaluating operations, transitional changes, expansions, improvements, and other business modifications. Producers and processors must not use dairy business planning grants for capital improvements.

Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate dairy development and profitability enhancement program dollars among for the permissible uses specified in this section and other needs to support the dairy industry, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to the state's dairy farmers.

Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a detailed accomplishment report and work plan detailing future plans for, and the actual and anticipated accomplishments from, expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. If the commissioner significantly modifies a submitted work plan during the fiscal year, the commissioner must notify the chairs and ranking minority members.

Sec. 12. Minnesota Statutes 2023 Supplement, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

(b) Live Cervidae or Cervidae semen must originate from a herd that has been subject to a state-, federal-, or provincial-approved chronic wasting disease herd certification program and that has reached a status equivalent to the highest certification.

(c) Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

(f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo that is a United States Department of Agriculture-licensed exhibitor of regulated animals to import live Cervidae from another state if the Cervidae are part of a herd that is:

(1) in the United States Department of Agriculture Herd Certification program; or

(2) subject to similar equivalent disease surveillance at the discretion of the state veterinarian.

Sec. 13. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 1, is amended to read:

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

(b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and machinery used for farming in Minnesota.

(c) "Beginning farmer" means an individual or LLC owned by an individual who:

(1) is a resident of Minnesota;

(2) is seeking entry, or has entered within the last ten years, into farming;

(3) intends to farm land located within the state borders of Minnesota;

(4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of the owner of the agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

(5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of a partner, member, shareholder, or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets; and

(6) meets the following eligibility requirements as determined by the authority:

(i) has a net worth that does not exceed the limit provided under section 41B.03, subdivision 3, paragraph (a), clause (2);

(ii) provides the majority of the day-to-day physical labor and management of the farm;

(iii) has, by the judgment of the authority, adequate farming experience or demonstrates knowledge in the type of farming for which the beginning farmer seeks assistance from the authority;

(iv) demonstrates to the authority a profit potential by submitting projected earnings statements;

(v) asserts to the satisfaction of the authority that farming will be a significant source of income for the beginning farmer;

(vi) is enrolled in or has completed within ten years of their first year of farming a financial management program approved by the authority or the commissioner of agriculture;

(vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility requirements within the three-year certification period, in which case the beginning farmer is no longer eligible for credits under this section; and

(viii) has other qualifications as specified by the authority.

The authority may waive the requirement in item (vi) if the participant requests a waiver and has a four-year degree in an agricultural program or related field, reasonable agricultural job-related experience, or certification as an adult farm management instructor.

(d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055, subdivision 1.

(e) "Family member" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

(f) "Farm product" means plants and animals useful to humans and includes, but is not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products, poultry and poultry products, livestock, fruits, and vegetables.

(g) "Farming" means the active use, management, and operation of real and personal property for the production of a farm product.

(h) "Limited land access" has the meaning given in section 17.133, subdivision 1.

~~(h)~~ (i) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

~~(i)~~ (j) "Resident" has the meaning given in section 290.01, subdivision 7.

~~(j)~~ (k) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss, or both.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 14. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 2, is amended to read:

Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) eight percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of \$50,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of \$7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification and allocation of a credit, in a form and manner prescribed by the authority.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) For purposes of the credit for the sale of agricultural land only, the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply. For a sale to a family member to qualify for the credit, the sales price of the agricultural land must equal or exceed the assessed value of the land as of the date of the sale. For purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

- (1) the owner of the agricultural land; or
- (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

(g) For a sale to ~~an emerging~~ a farmer experiencing limited land access, the credit rate under paragraph (a), clause (1), is twelve percent rather than eight percent.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 15. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is amended to read:

Subd. 4. **Authority duties.** (a) The authority shall:

(1) approve and certify or recertify beginning farmers as eligible for the program under this section;

(2) approve and certify or recertify owners of agricultural assets as eligible for the tax credit under subdivision 2 subject to the allocation limits in paragraph (c);

(3) provide necessary and reasonable assistance and support to beginning farmers for qualification and participation in financial management programs approved by the authority;

(4) refer beginning farmers to agencies and organizations that may provide additional pertinent information and assistance; and

(5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which time the beginning farmer or owner of agricultural assets must apply to the authority for recertification.

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than \$6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to ~~emerging farmers~~ owners of agricultural assets who sell or rent agricultural assets to beginning farmers who are experiencing limited land access. Any portion of a taxable year's newly allocated credits that is reserved for ~~emerging sales or rentals to farmers experiencing limited land access~~ that is not allocated by September 30 of the taxable year is available for allocation to other credit allocations beginning on October 1.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 16. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 6, is amended to read:

Subd. 6. **Report to legislature.** (a) No later than February 1, 2024, the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in tax years beginning after December 31, 2017, and before January 1, 2024.

(b) The report must include background information on beginning farmers in Minnesota and any other information the commissioner and authority find relevant to evaluating the effect of the credits on increasing opportunities for and the number of beginning farmers.

(c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report must include:

- (1) the number and amount of credits issued under each clause;
- (2) the geographic distribution of credits issued under each clause;

- (3) the type of agricultural assets for which credits were issued under clause (1);
- (4) the number and geographic distribution of beginning farmers whose purchase or rental of assets resulted in credits for the seller or owner of the asset;
- (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);
- (6) data on the number of beginning farmers by geographic region in calendar years 2017 through 2023, including:
 - (i) the number of beginning farmers by race and ethnicity, as those terms are applied in the 2020 United States Census; and
 - (ii) the number of beginning farmers who are experiencing limited land access and, to the extent available, the number of beginning farmers who are emerging farmers; and
- (7) the number and amount of credit applications that exceeded the allocation available in each year.
 - (d) For credits issued under subdivision 3, the report must include:
 - (1) the number and amount of credits issued;
 - (2) the geographic distribution of credits;
 - (3) a listing and description of each approved financial management program for which credits were issued; and
 - (4) a description of the approval procedure for financial management programs not on the list maintained by the authority, as provided in subdivision 3, paragraph (a).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 17. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement a disaster recovery loan program to help farmers:

- (1) clean up, repair, or replace farm structures and septic and water systems, as well as replace seed, other crop inputs, feed, and livestock;
- (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems and practices, and feed when drought is the cause of the purchase;
- (3) restore farmland;
- (4) replace flocks or livestock, make building improvements, or cover the loss of revenue when the replacement, improvements, or loss of revenue is due to the confirmed presence of a highly contagious animal disease in a commercial poultry or game flock, or a commercial livestock operation, located in Minnesota; or

(5) cover the loss of revenue when the revenue loss is due to an infectious human disease for which the governor has declared a peacetime emergency under section 12.31.

Sec. 18. **SUPERSEDING EFFECT.**

The amendment to Minnesota Statutes, section 35.155, subdivision 12, in section 12 of this article is intended to supersede the amendment in article 1, section 18, in S.F. No. 4225.

Sec. 19. **REPEALER.**

Minnesota Statutes 2022, section 34.07, is repealed.

ARTICLE 3

BROADBAND

Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision to read:

Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year appropriation between the border-to-border broadband program, low density population broadband program, and the broadband line extension program to meet demand. The commissioner must inform the chairs and ranking minority members of the legislative committees with jurisdiction over broadband finance in writing when this transfer authority is used. The written notice must include how much money was transferred and why the transfer was made. The written notice must also be filed with the Legislative Reference Library in compliance with Minnesota Statutes, section 3.195.

Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL FUNDING; APPROPRIATION.**

(a) The commissioner of employment and economic development must prepare and submit an application to the United States Department of Commerce requesting State Digital Equity Capacity Grant funding made available under Public Law 117-58, the Infrastructure Investment and Jobs Act.

(b) The amount awarded to Minnesota pursuant to the application submitted under paragraph (a) is appropriated to the commissioner of employment and economic development for purposes of the commissioner's Minnesota Digital Opportunity Plan."

Delete the title and insert:

"A bill for an act relating to state government; authorizing supplemental agriculture appropriations; modifying appropriations; providing broadband appropriation transfer authority; making policy and technical changes to agriculture provisions; establishing and modifying agriculture programs; requiring an application for federal broadband aid; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 17.116, subdivision 2; 17.133, subdivision 1; 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 28A.10; 31.94; 32D.30; 41B.047, subdivision 1; 116J.396, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3; 18C.425, subdivision 6; 35.155, subdivision 12;

41B.0391, subdivisions 1, 2, 4, 6; Laws 2023, chapter 43, article 1, section 2, subdivisions 1, 2, 3, 4, 5; repealing Minnesota Statutes 2022, section 34.07."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 4260, 4890, and 5116 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1989, 3376, and 3438 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Boldon, Pha, Port, and Lucero introduced--

S.F. No. 5447: A bill for an act relating to housing; establishing a working group on common interest communities and homeowners associations; requiring a report to the legislature.

Referred to the Committee on Judiciary and Public Safety.

Senators Kunesh, Hawj, and Marty introduced--

S.F. No. 5448: A bill for an act relating to energy; providing for and regulating shared-metered utility service in residential buildings; amending Minnesota Statutes 2022, sections 216B.022; 216B.098, subdivision 6; 504B.285, subdivision 4; Minnesota Statutes 2023 Supplement, section 216B.172, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 504B; repealing Minnesota Statutes 2022, section 504B.215.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senator Rasmusson introduced--

S.F. No. 5449: A bill for an act relating to taxation; individual income; providing a subtraction of income from certain retirement plans; amending Minnesota Statutes 2022, section 290.0132, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Rest introduced--

S.F. No. 5450: A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, article IV, section 3; by adding an article XV; establishing a Bipartisan

Redistricting Commission; establishing principles to be used in adopting legislative and congressional districts; amending Minnesota Statutes 2022, section 10A.01, subdivision 35; proposing coding for new law in Minnesota Statutes, chapter 2.

Referred to the Committee on Elections.

Senators Anderson, Westrom, and Lang introduced--

S.F. No. 5451: A bill for an act relating to veterans; expanding veterans hiring preference to include certain active service members who will be honorably discharged within 120 days; amending Minnesota Statutes 2022, sections 43A.11; 197.455, subdivisions 2, 6; 197.4551.

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

Senator Rasmusson introduced--

S.F. No. 5452: A bill for an act relating to arts and cultural heritage; appropriating money for the Pelican Rapids VFW Post.

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

Senator Rasmusson introduced--

S.F. No. 5453: A bill for an act relating to arts and cultural heritage; appropriating money for the Clitherall Township Veterans Memorial.

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

Senator Lang introduced--

S.F. No. 5454: A bill for an act relating to capital investment; appropriating money for water infrastructure improvements in the city of Danube; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Lang introduced--

S.F. No. 5455: A bill for an act relating to elections; modifying certain school board election requirements; repealing combined school district polling places; amending Minnesota Statutes 2022, section 123B.09, subdivision 5b; repealing Minnesota Statutes 2022, section 205A.11, subdivisions 2, 2a, 3.

Referred to the Committee on Elections.

Senator Howe introduced--

S.F. No. 5456: A bill for an act relating to the legislature; requiring members of public safety policy and finance committees to participate in ride alongs with law enforcement or fire departments;

requiring adoption of legislative rules; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Judiciary and Public Safety.

Senator Pha introduced--

S.F. No. 5457: A bill for an act relating to capital investment; appropriating money for public infrastructure to serve the Opportunity Site in the city of Brooklyn Center; appropriating money for a 24-hour child care center in the city of Brooklyn Center; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Pha and Boldon introduced--

S.F. No. 5458: A bill for an act relating to common interest communities; governing the right of unit owners to speak at board meetings and proxy voting; amending Minnesota Statutes 2022, sections 515B.3-103; 515B.3-110.

Referred to the Committee on Judiciary and Public Safety.

Senator Westrom introduced--

S.F. No. 5459: A bill for an act relating to education; allowing a district to place a student in an alternate setting; proposing coding for new law in Minnesota Statutes, chapter 121A.

Referred to the Committee on Education Policy.

Senator Howe introduced--

S.F. No. 5460: A bill for an act relating to transit; establishing a temporary moratorium on certain light rail transit expenditures.

Referred to the Committee on Transportation.

Senator Rarick introduced--

S.F. No. 5461: A bill for an act relating to taxation; fire protection and emergency medical services special taxing districts; establishing a local government aid program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 477A.

Referred to the Committee on Taxes.

Senator Pappas introduced--

S.F. No. 5462: A bill for an act relating to environment; appropriating unspent funds originally appropriated for the PFAS manufacturers fee work group; requiring a report on PFAS removal strategies.

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

Senator Pappas introduced--

S.F. No. 5463: A bill for an act relating to capital investment; appropriating unspent funds originally appropriated for the PFAS manufacturers fee work group; requiring a report on PFAS removal strategies.

Referred to the Committee on Capital Investment.

Senator Kunesh introduced--

S.F. No. 5464: A bill for an act relating to capital investment; appropriating money for the Trades Learning and Workforce Center in the city of Mahanomen.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Boldon moved that the name of Senator Mitchell be added as a co-author to S.F. No. 610. The motion prevailed.

Senator Port moved that the name of Senator Pha be added as a co-author to S.F. No. 1370. The motion prevailed.

Senator Westlin moved that the name of Senator Marty be added as a co-author to S.F. No. 3458. The motion prevailed.

Senator Kupec moved that the name of Senator Putnam be added as a co-author to S.F. No. 3806. The motion prevailed.

Senator Hawj moved that his name be stricken as a co-author to S.F. No. 3869. The motion prevailed.

Senator Gustafson moved that the name of Senator Boldon be added as a co-author to S.F. No. 3932. The motion prevailed.

Senator Mathews moved that his name be stricken as a co-author to S.F. No. 4271. The motion prevailed.

Senator Seeberger moved that the name of Senator Nelson be added as a co-author to S.F. No. 4377. The motion prevailed.

Senator Kupec moved that the name of Senator Fateh be added as a co-author to S.F. No. 4382. The motion prevailed.

Senator Mitchell moved that the name of Senator Xiong be added as a co-author to S.F. No. 4427. The motion prevailed.

Senator Kupec moved that the name of Senator Fateh be added as a co-author to S.F. No. 4762. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Pha be added as a co-author to S.F. No. 4796. The motion prevailed.

Senator Hawj moved that the name of Senator Champion be added as a co-author to S.F. No. 4894. The motion prevailed.

Senator Gustafson moved that the name of Senator Boldon be added as a co-author to S.F. No. 4952. The motion prevailed.

Senator Gustafson moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 4997. The motion prevailed.

Senator Pha moved that the name of Senator Boldon be added as a co-author to S.F. No. 5064. The motion prevailed.

Senator Pha moved that the name of Senator Boldon be added as a co-author to S.F. No. 5069. The motion prevailed.

Senator Pha moved that the name of Senator Boldon be added as a co-author to S.F. No. 5120. The motion prevailed.

Senator Pha moved that the name of Senator Boldon be added as a co-author to S.F. No. 5122. The motion prevailed.

Senator Mann moved that the name of Senator Boldon be added as a co-author to S.F. No. 5124. The motion prevailed.

Senator Hauschild moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 5157. The motion prevailed.

Senator Kunesh moved that the name of Senator Abeler be added as a co-author to S.F. No. 5171. The motion prevailed.

Senator Champion moved that the name of Senator Dziejic be added as a co-author to S.F. No. 5182. The motion prevailed.

Senator Pha moved that the name of Senator Boldon be added as a co-author to S.F. No. 5195. The motion prevailed.

Senator Kunesh moved that the name of Senator Boldon be added as a co-author to S.F. No. 5216. The motion prevailed.

Senator Fatch moved that the name of Senator Dibble be added as a co-author to S.F. No. 5237. The motion prevailed.

Senator Hawj moved that the name of Senator Kreun be added as a co-author to S.F. No. 5243. The motion prevailed.

Senator Marty moved that the name of Senator McEwen be added as a co-author to S.F. No. 5330. The motion prevailed.

Senator Rest moved that the name of Senator Putnam be added as a co-author to S.F. No. 5424. The motion prevailed.

Senator Murphy moved that H.F. No. 4310 be taken from the table and referred to the Committee on Rules and Administration for comparison with S.F. No. 4890, now on General Orders. The motion prevailed.

H.F. No. 4310: A bill for an act relating to state government; ratifying certain compensation plans.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4890, now on General Orders.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 4772, 3454, S.F. Nos. 3204, 4784, and H.F. No. 3925.

SPECIAL ORDER

H.F. No. 4772: A bill for an act relating to elections; providing for policy and technical changes to elections and campaign finance provisions, including elections administration, campaign finance and lobbying, and census and redistricting; establishing the Minnesota Voting Rights Act; modifying the crime of using deep fakes to influence elections; requiring reports; amending Minnesota Statutes 2022, sections 10A.01, subdivision 33, by adding a subdivision; 123B.09, subdivision 5b; 201.071, subdivision 3; 204B.175; 204C.06, subdivision 1, by adding a subdivision; 204C.19, subdivision 3; 204C.20, subdivision 1, by adding a subdivision; 204C.33, subdivision 1; 204C.35, subdivisions 1, 2, by adding a subdivision; 204C.36, subdivisions 2, 3; 205.16, subdivisions 4, 5; 205A.05, subdivision 3; 205A.07, subdivisions 3, 3b; 205A.11, subdivision 2; 206.89, subdivisions 2, 3, 5, 6; 208.06; 208.44; 208.47; 211B.17, subdivision 1; 211B.18; 375.08; 412.02, subdivision 6, by adding a subdivision; 447.32, subdivision 3; Minnesota Statutes 2023 Supplement, sections 2.92, subdivision 4; 10A.01, subdivision 21; 10A.201, subdivisions 3, 4, 6, 9; 10A.202, subdivision 1; 200.02, subdivision 7; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 201.1611, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 3; 203B.081, subdivision 4; 204B.09, subdivision 3; 204B.16, subdivision 1; 204B.295, subdivisions 1, 2, 3, by adding a subdivision; 204C.24, subdivision 1; 204C.33, subdivision 3; 205.16, subdivision 2; 206.61, subdivision 1; 609.771, subdivisions 2, 3, 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes,

chapters 2; 200; 241; 375; repealing Minnesota Statutes 2022, section 383B.031; Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 11.

President Champion called President Pro Tem Rest to preside.

Senator Champion moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 63, line 23, after "in" insert "a disparity in"

Page 63, line 24, delete "a disparity in"

The motion prevailed. So the amendment was adopted.

Senator Mathews moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 18, after line 22, insert:

"Sec. 20. Minnesota Statutes 2020, section 201.061, subdivision 1a, is amended to read:

Subd. 1a. **Incomplete registration by mail.** ~~If the county auditor determines that a voter who has submitted a voter registration application by mail has not previously voted in this state for a federal office and has also not presented a document authorized for election day registration in section 201.061, subdivision 3, to the county auditor, and the county auditor is unable to verify the voter's driver's license, state identification, or last four digits of the voter's Social Security number as provided by the voter on the voter registration application whether the voter is eligible to vote, then the county auditor must notify the voter that the registration is incomplete and to complete registration by using one of the following methods:~~

(1) ~~presenting to the auditor~~ submitting a completed voter registration application more than 20 days before the election a document authorized for election day registration in section 201.061, subdivision 3;

(2) registering in person before or on election day; or

(3) if voting by absentee ballot or by mail, following election day registration procedures for absentee voters as described in section 203B.04, subdivision 4; ~~or~~

~~(4) providing proof of residence by any of the methods authorized for election day registration in section 201.061, subdivision 3.~~

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 18, line 27, strike ", by" and insert "and" and after "a" insert "voter" and strike everything after "application"

Page 18, lines 28 to 29, strike the old language and insert ". For purposes of registration under this subdivision, the voter registration application must be printed on or affixed to a provisional ballot envelope and contain the information required by section 201.071, subdivision 1. The application may be completed using an electronic roster and then printed and affixed to the provisional ballot envelope. An individual who registers on election day is entitled to cast a provisional ballot pursuant to section 204C.135."

Page 18, lines 30 to 32, strike the old language

Page 19, lines 1 to 34, strike the old language

Page 20, lines 1 to 19, strike the old language

Page 20, line 20, strike "(e)" and insert "(b)"

Page 20, line 22, delete everything after "effective" and insert "January 1, 2025, and applies to elections held on or after that date."

Page 20, delete section 21 and insert:

"Sec. 22. Minnesota Statutes 2020, section 201.061, subdivision 4, is amended to read:

Subd. 4. **Registration by election judges; procedures.** Registration at the polling place on election day shall be conducted by the election judges. Before registering an individual to vote at the polling place, the election judge must review any list of absentee election day registrants provided by the county auditor or municipal clerk to see if the person has already voted by absentee ballot. If the person's name appears on the list, the election judge must not allow the individual to register or to vote in the polling place. The election judge who registers an individual at the polling place on election day shall not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration applications ~~and forms for oaths~~ shall be available at each polling place. ~~If an individual who registers on election day proves residence by oath of a registered voter, the form containing the oath shall be attached to the individual's registration application. Registration applications completed on election day shall be forwarded to the county auditor who shall add the name of each voter to the registration system unless the information forwarded is substantially deficient. A county auditor who finds an election day registration substantially deficient shall give written notice to the individual whose registration is found deficient. An election day registration shall not be found deficient solely because the individual who provided proof of residence was ineligible to do so.~~

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Page 24, line 8, after the period, insert "The list must indicate each voter whose status is challenged in the statewide voter registration system at the time the list was prepared. For each voter, the list must include the history of each change in status and the date that the change to that status was made. The list must also include individuals who were previously registered but were

removed or made inactive in the statewide voter registration system and the reason for the removal or inactivation."

Page 25, line 18, delete everything after the first period and insert "Paragraph (a) is effective July 1, 2024, and applies to public information lists created on or after that date. Information on status changes or individuals removed from the statewide voter registration system collected prior to July 1, 2024, must not be included on a public information list. Paragraph (e) is effective the day following final enactment."

Page 25, after line 18, insert:

"Sec. 26. Minnesota Statutes 2023 Supplement, 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, but no later than three days after the election. Voter registration applications completed on election day must be entered into the statewide registration system ~~within 42~~ as soon as possible, but no later than three 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. For applications received on election day, this must be completed within three days after the county auditor or municipal clerk has entered the information into the statewide voter registration system.

(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. For the six days

following an election, the secretary of state must provide this report daily to county auditors and municipal clerks.

(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 "challenged." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to clear the challenge at least 21 days before the next election or at the polling place on election day.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 27. **[201.146] NOTICE OF CHALLENGE; CONTEST.**

Subdivision 1. **Notice of challenge.** No later than seven days after changing the status of a registrant in the statewide voter registration system pursuant to section 201.13, subdivision 1, 201.14, or 201.145, the county auditor or municipal clerk must mail a notice to the registrant. The notice must include, at a minimum, the following information:

- (1) a statement that the voter's status was challenged or that a challenge was removed;
- (2) the reason for the change;
- (3) a copy of the information provided by the state agency or court that was the basis for the change in status; and
- (4) a description of the process to contest the change in status, as provided in subdivision 2.

Subd. 2. **Contest.** (a) An individual whose status was challenged in the statewide voter registration system pursuant to section 201.13, subdivision 1, 201.14, or 201.145 has the right to contest the challenge as provided in this section.

(b) To contest the challenge, the individual must file a contest petition with the named entity. The petition must state the basis for the contest and provide any supporting documentation. The individual may request a review meeting as part of the petition. The meeting may be conducted by interactive video technology. The petition must be in a form prescribed by the secretary of state.

(c) No later than seven days after receiving the contest petition, the named entity must review the contest petition and any supporting documentation, as well as the data provided to the secretary of state. If the individual requested a review meeting, the named entity must schedule a meeting with the individual within 14 days after receiving the contest petition.

(d) After reviewing the required data, and after the review meeting if one occurred, the named entity must determine whether the data is accurate or should be changed. If the named entity determines that no change to the data is required, the named entity must notify the individual. If the named entity determines that the data must be changed, the named entity must promptly notify the individual and the secretary of state. Upon receiving the changed data from the named entity, the

secretary of state must promptly remove the challenged status. If an individual disagrees with the decision of the named entity, the individual may appeal to the district court.

(e) For purposes of this section, "named entity" means the entity listed in the notice as required by subdivision 1, clause (3).

EFFECTIVE DATE. This section is effective July 1, 2024, and applies to individuals who are challenged on or after that date, and applies to reports received by the secretary of state on or after that date. The notices required by subdivision 1 must be sent to individuals who are challenged in the statewide voter registration system pursuant to this section on or after July 1, 2024."

Page 26 after line 16, insert:

"Sec. 29. Minnesota Statutes 2023 Supplement, 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 and affixed to the provisional ballot envelope. The printed registration application can be a printed form, a label printed with voter information to be affixed to a preprinted form, a combination of 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 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 a printed form,

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).

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 30. Minnesota Statutes 2020, section 201.225, subdivision 5, is amended to read:

Subd. 5. **Election day.** (a) Precincts may use electronic rosters for election day registration, to process preregistered voters, or both. ~~The printed election day registration applications must be reviewed when electronic records are processed in the statewide voter registration system.~~ The election judges shall determine the number of ballots to be counted by counting the number of original voter signature certificates or the number of voter receipts.

(b) Each precinct using electronic rosters shall have a paper backup system approved by the secretary of state present at the polling place to use in the event that the election judges are unable to use the electronic roster.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 27, after line 33, insert:

"Sec. 32. Minnesota Statutes 2020, section 203B.04, subdivision 4, is amended to read:

Subd. 4. **Registration at time of application.** An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by including submitting a completed voter registration application with the absentee ballot. ~~The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots~~ If the absentee ballot and voter registration application are returned

by mail, the voter registration must be placed into the return envelope along with the signature envelope. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 28, line 15, after the semicolon, insert "and"

Page 28, line 18, strike "; and" and insert a period

Page 28, strike lines 19 and 20

Page 28, after line 22, insert:

"Sec. 34. Minnesota Statutes 2023 Supplement, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** (a) When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope ~~and~~. The county auditor must open the return envelope to determine if a voter registration application is in the envelope. If a voter registration application is in the envelope, the county auditor must remove the voter registration application. The county auditor must reseal the return envelope, initial across the seal, and note that a voter registration application was removed from the envelope. The county auditor must place ~~in~~ all return envelopes in a locked ballot container or other secured and locked space with other return envelopes received by that office. Except for voter registration applications removed pursuant to this section, all contents of the return envelope must remain in the return envelope until delivered to the ballot board.

(b) 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 after 8:00 p.m. shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

(c) Upon removing the voter registration application as required by paragraph (a), the county auditor must immediately process the voter registration application as provided in section 201.121, subdivisions 1 and 2.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 35. Minnesota Statutes 2023 Supplement, 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~~ preregistered voters during the 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.

(f) If a person is not preregistered to vote, the person must not be allowed to cast an absentee ballot using the alternative procedure authorized by this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 36. Minnesota Statutes 2023 Supplement, 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 or voter record;

(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 19th day before the election, 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 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 to notify the voter that the voter's ballot has been rejected. The ballot board must contact the voter by the method or methods of communication provided by the voter on the voter's application for an absentee ballot or voter registration. 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 January 1, 2025, and applies to elections held on or after that date."

Page 33, after line 10, insert:

"Sec. 45. Minnesota Statutes 2023 Supplement, section 204C.10, 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 old;
- (2) is a citizen of the United States;
- (3) has 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, an election judge must confirm the applicant's name, address, and date of birth. If the voter's registration status is challenged, the voter must not be allowed to sign the polling place roster or a voter signature certificate, but must be allowed to cast an administrative-challenged ballot or a verification-challenged

ballot pursuant to section 204C.136. A voter must be allowed to cast an administrative-challenged ballot if the basis of the challenge is:

- (1) based on a death reported by the commissioner of health;
- (2) a name change recorded with a court in state;
- (3) a Minnesota court order revoking the person's right to vote or where the court has found the person to be legally incompetent to vote;
- (4) a felony conviction; or
- (5) a temporary lawful status in the county based on a person's driver's license status.

A voter must be allowed to cast a verification-challenged ballot if the challenge is for any other reason.

(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,~~ If a voter has a challenged status in the statewide voter registration system at the time the roster was prepared, the voter's challenged status must be indicated on the roster. The roster must also include the basis for the challenge. 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 January 1, 2025, and applies to elections held on or after that date.

Sec. 46. Minnesota Statutes 2020, section 204C.12, subdivision 2, is amended to read:

Subd. 2. **Statement of grounds; oath.** A challenger must be a resident of this state. The secretary of state shall prepare a form that challengers must complete and sign when making a challenge. The form must include space to state the ground for the challenge, a statement that the challenge is based on the challenger's personal knowledge, and a statement that the challenge is made under oath. The form must include a space for the challenger's printed name, signature, telephone number, and address.

~~An election judge shall administer to the challenged individual the following oath:~~

~~"Do you solemnly swear (or affirm) that you will fully and truly answer all questions put to you concerning your eligibility to vote at this election?"~~

~~The election judge shall then ask the challenged individual sufficient questions to test that individual's residence and right to vote.~~

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 47. 204C.135] PROVISIONAL BALLOTS.

Subdivision 1. Casting provisional ballots. (a) A voter who registered on election day pursuant to section 201.061, subdivision 3, is entitled to cast a provisional ballot.

(b) A voter seeking to cast a provisional ballot must sign a provisional ballot roster or a provisional voter signature certificate and complete a voter registration application. The voter registration application may be completed by an electronic roster and affixed to the provisional ballot envelope. The voter must also swear or affirm in writing that the voter is eligible to vote, has not voted previously in the same election, and meets the criteria for registering to vote in the precinct in which the voter appears.

(c) Once the voter has completed the provisional ballot envelope, the voter must be allowed to cast a provisional ballot. The provisional ballot must be in the same form as the official ballot available in the precinct on election day. A completed provisional ballot shall be sealed in a secrecy envelope. The secrecy envelope shall be sealed inside the voter's provisional ballot envelope and deposited by the voter in a secure, sealed provisional ballot box. Completed provisional ballots must not be combined with other voted ballots in the polling place.

(d) The secretary of state must prescribe the form of the secrecy and provisional ballot envelopes. The provisional ballot envelope must be a color other than that provided for absentee ballot envelopes or challenged ballot envelopes and must be prominently labeled "Provisional Ballot Envelope."

(e) Provisional ballots and related documentation shall be delivered to and securely maintained by the county auditor or municipal clerk in the same manner as required for other election materials under sections 204C.27 and 204C.28.

Subd. 2. Accepting or rejecting provisional ballot envelopes. (a) Within seven days after the election, two or more election judges that are affiliated with different major political parties must process each applicant's registration application as provided by section 201.121, subdivisions 1 and 2. If more than two election judges are processing registration applications, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges processing voter registration applications must have a major political party affiliation. If the applicant is registered to vote, then the election judges must determine if the voter's status is challenged in the statewide voter registration system. If the voter's status is challenged, the provisional ballot must not be accepted but must be processed as a challenged ballot as provided in section 204C.136, subdivision 2. If the ballot will be treated as a verification-challenged ballot, the election judges must attempt to contact the voter to inform the voter they must appear in person to prove their eligibility to vote before their ballot will be counted. If the applicant is registered to vote and the voter's status is not challenged in the statewide voter registration system, that voter's provisional ballot envelope must be accepted. The election judges must mark the provisional ballot envelope "Accepted" and initial or sign the envelope below the word "Accepted." If the applicant is not registered to vote, the provisional ballot envelope must be rejected. If a provisional ballot envelope is rejected, the election judges must mark the provisional ballot envelope "Rejected," initial or sign it below the word "Rejected," and list the reason for rejection on the envelope. The election judges must promptly record in the statewide voter registration system that a voter's provisional ballot envelope has been accepted or rejected.

(b) The county auditor or municipal clerk must mail the voter a written notice of provisional ballot rejection between six and ten weeks following the election. The notice must include the reason for rejection and the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(c) A provisional ballot envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Subd. 3. **Provisional ballots; reconciliation.** On the seventh day after the election and prior to counting any provisional ballots in the final vote totals from a precinct, the two or more election judges that are affiliated with different major political parties must verify that the number of signatures appearing on the provisional ballot roster from that precinct is equal to or greater than the number of provisional ballots submitted by voters in the precinct on election day. If more than two election judges are reconciling ballots, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges must have a major political party affiliation. Any discrepancy must be resolved before the provisional ballots from the precinct may be counted. Excess provisional ballots must be randomly withdrawn from the accepted provisional ballots in the manner required by section 204C.20, subdivision 2.

Subd. 4. **Counting provisional ballots.** Once the reconciliation process required by subdivision 3 is completed, accepted provisional ballot envelopes must be opened; duplicated as needed in the manner provided in section 206.86, subdivision 5; initialed by the election judges; and deposited in the appropriate ballot box. If more than one ballot is enclosed in the ballot envelope, the ballots must be spoiled and must not be counted.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 48. **[204C.136] CHALLENGED BALLOTS.**

Subdivision 1. **Casting challenged ballots.** (a) A voter whose registration status is challenged is entitled to cast a challenged ballot. A voter must be allowed to cast an administrative-challenged ballot if the basis of the challenge is:

(1) based on a death reported by the commissioner of health;

(2) a name change recorded with a court in state;

(3) a Minnesota court order revoking the person's right to vote or where the court has found the person to be legally incompetent to vote;

(4) a felony conviction; or

(5) a temporary lawful status in the county based on a person's driver's license status.

A voter must be allowed to cast a verification-challenged ballot if the challenge is for any other reason. For purposes of this section, both types of challenged ballots are handled in the same manner except where otherwise specified.

(b) A voter seeking to cast a challenged ballot must sign a challenged ballot roster or a challenged voter signature certificate and complete a challenged ballot envelope. The roster must indicate whether the voter is provided with an administrative-challenged ballot or a verification-challenged ballot. The envelope must contain a space for the voter to list the voter's name, address of residence, date of birth, voter identification number, and any other information prescribed by the secretary of state. The voter must also swear or affirm, in writing, that the voter is eligible to vote, has not voted previously in the same election, and meets the criteria for registering to vote in the precinct in which the voter appears.

(c) Once the voter has completed the challenged ballot envelope, the voter must be allowed to cast a challenged ballot. The challenged ballot must be in the same form as the official ballot available in the precinct on election day. A completed challenged ballot shall be sealed in a secrecy envelope. The secrecy envelope shall be sealed inside the voter's challenged ballot envelope and deposited by the voter in a secure, sealed challenged ballot box. There must be separate ballot boxes for administrative-challenged ballot envelopes and verification-challenged ballot envelopes. Completed challenged ballots may not be combined with other voted ballots in the polling place.

(d) The form of the secrecy and challenged ballot envelopes shall be prescribed by the secretary of state. The administrative-challenged ballot envelopes and verification-challenged ballot envelopes must be different colors and must be a color other than that provided for absentee ballot envelopes or provisional ballot envelopes and must be prominently labeled "Administrative-Challenged Ballot Envelope" or "Verification-Challenged Ballot Envelope."

(e) Challenged ballots and related documentation shall be delivered to and securely maintained by the county auditor or municipal clerk in the same manner as required for other election materials under sections 204C.27 and 204C.28.

Subd. 2. Accepting or rejecting challenged ballot envelopes. (a) This paragraph applies to accepting or rejecting administrative-challenged ballot envelopes. Before the meeting of the canvassing board, the two or more election judges that are affiliated with different major political parties must accept or reject each challenged ballot. If more than two election judges are processing registration applications, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges processing voter registration applications must have a major political party affiliation. The election judges must review the information in the statewide voter registration system, required by section 201.145, subdivision 1, for the date of the election. If the information shows that the voter was not challenged, or should not have been challenged on that date and was otherwise eligible to vote, that voter's challenged ballot must be accepted. The election judges must mark the challenged ballot envelope "Accepted" and initial or sign the envelope below the word "Accepted." If a challenged ballot envelope is not accepted, the election judges must mark the challenged ballot envelope "Rejected," initial or sign it below the word "Rejected," and list the reason for the rejection on the envelope. The election judges must promptly record in the statewide voter registration system that a voter's challenged ballot has been accepted or rejected.

(b) This paragraph applies to accepting or rejecting verification-challenged ballot envelopes. A voter who casts a verification-challenged ballot may personally appear at the office of the county auditor or municipal clerk no later than seven calendar days following the election to prove that the voter's challenged ballot should be counted. The county auditor's office and the city clerk's office must be open for approving verification-challenged ballots on the Saturday following the election

for the hours prescribed in section 203B.085. The voter must provide proof of eligibility to vote in the precinct where the voter cast the verification-challenged ballot. Two or more election judges that are affiliated with different major political parties must review the voter's proof of eligibility. If more than two election judges are reviewing eligibility, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges processing voter registration applications must have a major political party affiliation. The election judges must accept a challenged ballot if the voter is able to provide satisfactory proof of the voter's eligibility. The election judges must mark the challenged ballot envelope "Accepted" and initial or sign the envelope below the word "Accepted." If a challenged ballot envelope is not accepted, the election judges must mark the challenged ballot envelope "Rejected," initial or sign it below the word "Rejected," and list the reason for the rejection on the envelope. The election judges must promptly record in the statewide voter registration system that a voter's challenged ballot has been accepted or rejected.

(c) The county auditor or municipal clerk must mail the voter a written notice of challenged ballot rejection between six and ten weeks following the election. The notice must include the reason for rejection and the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(d) A challenged ballot envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Subd. 3. **Challenged ballots; reconciliation.** Prior to counting any challenged ballots in the final vote totals from a precinct, the two or more election judges that are affiliated with different major political parties must verify that the number of signatures appearing on the challenged ballot roster from that precinct is equal to or greater than the number of challenged ballots submitted by voters in the precinct on election day. If more than two election judges are reconciling ballots, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges must have a major political party affiliation. Any discrepancy must be resolved before the challenged ballots from the precinct may be counted. Excess challenged ballots to be counted must be randomly withdrawn in the manner required by section 204C.20, subdivision 2.

Subd. 4. **Counting challenged ballots.** Accepted challenged ballot envelopes must be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the election judges, and deposited in the appropriate ballot box. If more than one ballot is enclosed in the ballot envelope, the ballots must be spoiled and must not be counted.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 49. **[204C.137] PROVISIONAL AND CHALLENGED BALLOTS; PUBLIC INFORMATION LISTS.**

On the eighth day after the election, the following information must be made available for public inspection:

- (1) the names of all voters who cast provisional ballots;
- (2) the names of all voters whose provisional ballots were rejected;

(3) the names of all voters who cast challenged ballots and whether the ballot was an administrative-challenged ballot or a verification-challenged ballot; and

(4) the names of all voters whose challenged ballots were rejected.

This information 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 January 1, 2025, and applies to elections held on or after that date."

Page 35, after line 6, insert:

"Sec. 54. Minnesota Statutes 2020, section 204C.32, is amended to read:

204C.32 CANVASS OF STATE PRIMARIES.

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office on ~~either the second or third~~ the tenth day following the state primary. After taking the oath of office, the canvassing board shall publicly canvass the election returns delivered to the county auditor. The board shall complete the canvass by the ~~third~~ tenth day following the state primary and shall promptly prepare and file with the county auditor a report that states:

- (a) the number of individuals voting at the election in the county, and in each precinct;
- (b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;
- (c) for each major political party, the names of the candidates running for each partisan office and the number of votes received by each candidate in the county and in each precinct;
- (d) the names of the candidates of each major political party who are nominated; and
- (e) the number of votes received by each of the candidates for nonpartisan office in each precinct in the county and the names of the candidates nominated for nonpartisan office.

Upon completion of the canvass, the county auditor shall mail or deliver a notice of nomination to each nominee for county office voted for only in that county. The county auditor shall transmit one of the certified copies of the county canvassing board report for state and federal offices to the secretary of state by express mail or similar service immediately upon conclusion of the county canvass. The secretary of state shall mail a notice of nomination to each nominee for state or federal office.

Subd. 2. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area ~~seven~~ 14 days after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. Immediately after the canvassing board declares the results, the secretary of state shall certify the names of the nominees to the county auditors. The secretary of state shall mail to each nominee a notice of nomination.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 35, line 9, strike "third" and insert "tenth" and delete "eighth" and insert "17th"

Page 36, after line 5, insert:

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 36, delete section 41

Page 40, after line 21, insert:

"Sec. 61. Minnesota Statutes 2020, section 205.065, subdivision 5, is amended to read:

Subd. 5. **Results.** The municipal primary shall be conducted and the returns made in the manner provided for the state primary so far as practicable. ~~The canvass may be conducted on either the second or third day after the primary.~~

The governing body of the municipality shall canvass the returns on the tenth day after the primary, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to the office, who receive the highest number of votes, shall be the nominees for the office named. Their names shall be certified to the municipal clerk who shall place them on the municipal general election ballot without partisan designation and without payment of an additional fee.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 41, after line 7, insert:

"Sec. 65. Minnesota Statutes 2020, section 205.185, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** (a) Between the ~~third tenth~~ and ~~tenth~~ 17th days after an election, the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns, and declare the results of the election. The governing body of a town conducting the general election in March shall act as the canvassing board, canvass the returns, and declare the results of the election within ~~two~~ nine days after an election.

(b) After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court.

(c) In case of a tie vote, the canvassing board having jurisdiction over the municipality shall determine the result by lot. The clerk of the canvassing board shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date.

Sec. 66. Minnesota Statutes 2020, section 205A.03, subdivision 4, is amended to read:

Subd. 4. **Results.** ~~(a)~~ The school district primary must be conducted and the returns made in the manner provided for the state primary as far as practicable. ~~If the primary is conducted:~~

~~(1) only within that school district, a canvass may be conducted on either the second or third day after the primary; or~~

~~(2) in conjunction with the state primary, the canvass must be conducted on the third day after the primary, except as otherwise provided in paragraph (b).~~

On the tenth day after the primary, the school board of the school district shall canvass the returns, and the two candidates for each specified school board position who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to at-large school board positions who receive the highest number of votes, are the nominees for the office named. Their names must be certified to the school district clerk who shall place them on the school district general election ballot without partisan designation and without payment of an additional fee.

~~(b) Following a school district primary as described in paragraph (a), clause (2), a canvass may be conducted on the second day after the primary if the county auditor of each county in which the school district is located agrees to administratively review the school district's primary voting statistics for accuracy and completeness within a time that permits the canvass to be conducted on that day.~~

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 41, after line 29, insert:

"Sec. 70. Minnesota Statutes 2020, section 205A.10, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** Between the ~~third~~ tenth and ~~tenth~~ 17th days after a school district election other than a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school board shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 43, delete section 55

Page 60, after line 12, insert:

"Sec. 115. **PUBLIC AWARENESS CAMPAIGN; SECRETARY OF STATE.**

The secretary of state must contract with a vendor to conduct a public awareness campaign to encourage people to register to vote prior to election day. At a minimum, the vendor must conduct the public awareness campaign in each even-numbered year from June 1 until the voter registration period ends prior to the state general election. The secretary of state may consult with the vendor in coordinating material related to the campaign, but the secretary, the secretary's staff, and any other documents or materials promoting the Office of the Secretary of State may not appear visually or audibly in any advertising or promotional items disseminated by the vendor as part of the public awareness campaign.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Page 61, after line 3, insert:

"Sec. 119. **REPEALER.**

Minnesota Statutes 2022, sections 201.061, subdivision 7; and 204C.12, subdivision 3, are repealed.

Minnesota Statutes 2023 Supplement, sections 135A.17, subdivision 2; and 201.061, subdivision 3a, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to elections held on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Dahms	Duckworth	Gruenhagen	Johnson
Anderson	Dornink	Eichorn	Housley	Koran
Bahr	Draheim	Farnsworth	Howe	Kreun
Coleman	Drazkowski	Green	Jasinski	Lang

Lieske	Mathews	Pratt	Utke	Westrom
Limmer	Miller	Rarick	Weber	
Lucero	Nelson	Rasmusson	Wesenberg	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Dornink moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 28, line 11, reinstate the stricken language

Page 28, line 12, before "at" insert "the United States, is" and after "election" insert a comma and after "and" insert "is"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Putnam moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 7, line 26, after the first "a" insert "public or"

Page 60, delete section 98 and insert:

"Sec. 98. STATE AND LOCAL LOBBYING ACTIVITY; STUDY REQUIRED; REGISTRATION REQUIREMENTS STAYED.

(a) The Campaign Finance and Public Disclosure Board must study and make recommendations to the legislature on the definitions of "lobbyist," "local official," and "official action of a political subdivision" for purposes of Minnesota Statutes, chapter 10A. The study and recommendations must focus on whether the law does or should distinguish between activities that constitute lobbying of a public official and activities that constitute lobbying of a local official. In conducting the study, the board must consult with lobbyists, political subdivisions, and other interested parties. If the study determines that a distinction between these activities is appropriate and is not adequately articulated within current law, then the board must recommend options for the legislature to consider in adopting that distinction by law. The board must submit a report describing the study, its results, and any associated recommendations from the board, to the chairs and ranking minority members of the legislative committees with jurisdiction over campaign finance and lobbyist registration policy no later than January 15, 2025.

(b) Registration requirements under Minnesota Statutes, section 10A.03, for an individual representing an association attempting to influence the official action of a political subdivision that is not a metropolitan governmental unit are stayed until June 1, 2025. An individual who attempts to influence the official action of a "metropolitan governmental unit," as defined in Minnesota Statutes, chapter 10A, must comply with the registration and reporting requirements in Minnesota Statutes, sections 10A.03 and 10A.04. A lobbyist principal that is represented by a lobbyist who attempts to influence the official action of a metropolitan governmental unit must comply with the reporting requirement in Minnesota Statutes, section 10A.04.

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Koran moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 53, after line 4, insert:

"Sec. 83. [211B.125] PUBLICLY FUNDED ORGANIZATIONS; CAMPAIGN EXPENDITURES PROHIBITED.

An entity or organization, including any nonprofit organization, that receives state funding may not make a campaign expenditure or otherwise expend money for any political purpose. As used in this section, "state funding" includes receipt of public funds through a direct appropriation or a legislatively named, competitive, or other form of grant."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

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: Dibble, Dziedzic, McEwen, Morrison, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Koran moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 16, after line 2, insert:

"Sec. 18. Minnesota Statutes 2023 Supplement, 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, a political party, 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Fateh	Klein	Maye Quade	Oumou Verbeten
Carlson	Frentz	Kunesh	McEwen	Pappas
Champion	Gustafson	Kupec	Mitchell	Pha
Cwodzinski	Hauschild	Latz	Mohamed	Port
Dibble	Hawj	Mann	Morrison	Putnam
Dziedzic	Hoffman	Marty	Murphy	Rest

Seeberger

Westlin

Wiklund

Xiong

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dibble, Dziedzic, McEwen, Morrison, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Bahr moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 40, after line 21, insert:

"Sec. 47. Minnesota Statutes 2022, section 205.07, subdivision 1, is amended to read:

Subdivision 1. **Date of election.** The municipal general election in each city shall be held on the first Tuesday after the first Monday in November in every even-numbered year. Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the governing body of a city of the first class may, by ordinance passed at a regular meeting held at least 180 calendar days before the first day to file for candidacy in the next municipal election, decide to hold the election on the first Tuesday after the first Monday in November in either an even- or odd-numbered year. A city of the first class may hold elections in either the even-numbered year or the odd-numbered year, but not both. When a city of the first class changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election. The term of office for the mayor may be either two or four years. The term of office of council members is four years. Whenever the time of the municipal election in a city of the first class is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made. A municipal general election scheduled to be held in an odd-numbered year may be postponed for inclement weather as provided in section 205.105.

Sec. 48. Minnesota Statutes 2022, section 205.07, subdivision 3, is amended to read:

Subd. 3. **Effect of ordinance; referendum.** An ordinance changing the year of the municipal election in a city of the first class is effective 240 days after passage and publication or at a later date fixed in the ordinance. Within 180 days after passage and publication of the ordinance, a petition requesting a referendum on the ordinance may be filed with the city clerk. The petition shall be signed by eligible voters equal in number to ten percent of the total number of votes cast in the city at the last municipal general election. If the requisite petition is filed within the prescribed period,

the ordinance shall not become effective until it is approved by a majority of the voters voting on the question at a general or special election held on a date authorized by section 205.10, subdivision 3a. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.

Sec. 49. Minnesota Statutes 2022, section 205.075, subdivision 2, is amended to read:

Subd. 2. **Alternate date.** A town may, by resolution or ordinance, designate the first Tuesday after the first Monday in November of ~~either the an even-numbered or the odd-numbered~~ year as the date of the town general election. Town supervisors elected at a November town general election shall serve four-year terms.

The ordinance or resolution changing the date of the town general election must include a plan to shorten or lengthen the terms of office to provide an orderly transition to the November election schedule.

The ordinance or resolution changing the date of the town general election may be proposed by the town board or by a resolution of the electors adopted at the annual town meeting and is effective upon an affirmative vote of the electors at the next town general election."

Page 41, after line 7, insert:

"Sec. 52. Minnesota Statutes 2022, section 205A.03, subdivision 1, is amended to read:

Subdivision 1. **Resolution requiring primary in certain circumstances.** The school board of a school district may, by resolution adopted by April 15 of ~~any~~ an even-numbered year, decide to choose nominees for school board by a primary as provided in this section. The resolution, when adopted, is effective for all ensuing elections of board members in that school district until it is revoked. If the board decides to choose nominees by primary and if there are more than two candidates for a specified school board position or more than twice as many school board candidates as there are at-large school board positions available, the school district must hold a primary.

Sec. 53. Minnesota Statutes 2022, section 205A.03, subdivision 2, is amended to read:

Subd. 2. **Date.** The school district primary must be held on the second Tuesday in August in the year when the school district general election is held. The clerk shall give notice of the primary in the manner provided in section 205A.07. ~~The date of a school district primary held in an odd-numbered year may be postponed for inclement weather as provided in section 205A.055.~~

Sec. 54. Minnesota Statutes 2022, section 205A.04, subdivision 1, is amended to read:

Subdivision 1. **School district general election.** The general election in each school district must be held on the first Tuesday after the first Monday in November of ~~either the odd-numbered or the an~~ an even-numbered year. ~~A general election held in an odd-numbered year may be postponed for inclement weather as provided in section 205A.055."~~

Page 41, after line 13, insert:

"Sec. 56. Minnesota Statutes 2022, section 205A.055, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to a ~~primary, special, or general~~ election held in a school district that is not held in conjunction with a state or federal election."

Page 61, line 5, after "sections" insert "205A.04, subdivision 3,"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dibble, Dziedzic, McEwen, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Coleman moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 53, after line 4, insert:

"Sec. 83. [211B.077] ABSENTEE BALLOT APPLICATIONS DISTRIBUTED BY COMMITTEES AND PRIVATE ORGANIZATIONS.

Subdivision 1. Required statement. (a) Any mailing sent by or on behalf of a committee or other private organization that includes an absentee ballot application or a sample ballot designed to encourage voting at an election must include a statement that:

- (1) the mailing is not an official communication from a unit of government;
 - (2) the application or ballot has not been included at the request of a government official; and
 - (3) if a sample ballot is enclosed, that the sample ballot is not an official ballot that may be cast by the voter.
- (b) The statement required by this section must be printed in a typeface and format designed to be clearly visible at the time the mailing is opened. The mailing envelope must include markings to clearly distinguish it from official election mail sent by a unit of government.

Subd. 2. **Absentee ballot application may not be preprinted with voter registration information.** An absentee ballot application sent by or on behalf of a committee or other private organization to a potential voter must not be preprinted with the voter's name, address, or any other registration information required to be provided by the voter at the time the application is submitted."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Carlson requested division of the Coleman amendment as follows:

First portion:

Page 53, after line 4, insert:

"Sec. 83. **[211B.077] ABSENTEE BALLOT APPLICATIONS DISTRIBUTED BY COMMITTEES AND PRIVATE ORGANIZATIONS.**

Subdivision 1. **Required statement.** (a) Any mailing sent by or on behalf of a committee or other private organization that includes an absentee ballot application or a sample ballot designed to encourage voting at an election must include a statement that:

- (1) the mailing is not an official communication from a unit of government;
 - (2) the application or ballot has not been included at the request of a government official; and
 - (3) if a sample ballot is enclosed, that the sample ballot is not an official ballot that may be cast by the voter.
- (b) The statement required by this section must be printed in a typeface and format designed to be clearly visible at the time the mailing is opened. The mailing envelope must include markings to clearly distinguish it from official election mail sent by a unit of government."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the Coleman amendment.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dibble, Dziedzic, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Fateh

The motion prevailed. So the first portion of the amendment was adopted.

Second portion:

Page 53, after line 4, insert:

"Sec. 83. [211B.077] ABSENTEE BALLOT APPLICATIONS DISTRIBUTED BY COMMITTEES AND PRIVATE ORGANIZATIONS.

Subd. 2. Absentee ballot application may not be preprinted with voter registration information. An absentee ballot application sent by or on behalf of a committee or other private organization to a potential voter must not be preprinted with the voter's name, address, or any other registration information required to be provided by the voter at the time the application is submitted."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the second portion of the Coleman amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Gruenhagen	Kreun	Miller
Anderson	Drazkowski	Housley	Lang	Nelson
Bahr	Duckworth	Howe	Lieske	Pratt
Coleman	Eichorn	Jasinski	Limmer	Rarick
Dahms	Farnsworth	Johnson	Lucero	Rasmusson
Dornink	Green	Koran	Mathews	Utke

Weber

Wesenberg

Westrom

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dibble, Dziedzic, McEwen, Pha, and Port.

The motion did not prevail. So the second portion of the amendment was not adopted.

Senator Koran moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 32, after line 25, insert:

"Sec. 34. Minnesota Statutes 2022, section 204B.32, is amended by adding a subdivision to read:

Subd. 3. **Contributions for election expenses prohibited.** Notwithstanding any home rule charter or local ordinance to the contrary, a county, municipality, or school district may not accept a contribution, in any form, from a for-profit business or a nonprofit organization made for the purpose of paying expenses associated with conducting a federal, state, or local election. This subdivision does not apply to an entity that provides space to a local government to use as a polling place for free or at a discounted rate.

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

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Gruenhagen	Kreun	Miller
Anderson	Drazkowski	Housley	Lang	Nelson
Bahr	Duckworth	Howe	Lieske	Pratt
Coleman	Eichorn	Jasinski	Limmer	Rarick
Dahms	Farnsworth	Johnson	Lucero	Rasmusson
Dornink	Green	Koran	Mathews	Utke

Weber

Wesenberg

Westrom

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dibble, Dziedzic, McEwen, Pha, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Utke moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 45, after line 4, insert:

"Sec. 59. Minnesota Statutes 2022, section 208.03, is amended to read:

208.03 NOMINATION OF PRESIDENTIAL ELECTORS AND ALTERNATES.

Presidential electors and alternates for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. Each major political party shall nominate one presidential elector from each congressional district and two presidential electors from the state at large. At least 71 days before the general election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of persons nominated as alternate presidential electors, and the names of the party candidates for president and vice president. For each person nominated as an elector or alternate elector, the chair shall indicate whether the person is nominated as an at-large elector or is nominated to represent a congressional district. If the person is nominated to represent a congressional district, the chair must indicate the congressional district number for each nominee. The chair shall also certify that the party candidates for president and vice president have no affidavit on file as a candidate for any office in this state at the ensuing general election.

Sec. 60. Minnesota Statutes 2023 Supplement, section 208.05, is amended to read:

208.05 STATE CANVASSING BOARD.

(a) 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,

statewide and within each congressional district, and declare the person or persons receiving the highest number of votes for each office duly elected, as follows:

(1) the statewide vote totals must be used to determine the persons elected to serve as electors under the at-large designation; and

(2) the vote totals within each congressional district must be used to determine the person elected to serve as an elector representing that district.

~~except that~~ (b) Notwithstanding paragraph (a), 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.

(c) 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dibble, Dziedzic, McEwen, Pha, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Lucero moved to amend H.F. No. 4772, as amended pursuant to Rule 45, adopted by the Senate April 11, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4729.)

Page 33, after line 10, insert:

"Sec. 36. Minnesota Statutes 2023 Supplement, section 204C.10, 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 old;
- (2) is a citizen of the United States;
- (3) has 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) Before the applicant signs the roster or the voter signature certificate, the judge must ask the voter if the voter is a citizen of the United States. If the voter answers affirmatively that the voter is a citizen, the voter may sign the roster or certificate. If the voter provides any answer other than an affirmative answer, the voter must not be allowed to sign the roster or the certificate and must not be allowed to vote. The voter's status must be challenged on the polling place roster on the basis of citizenship.

(e) 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.

(f) 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dibble, Dziedzic, McEwen, Pha, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 4772 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Port
Carlson	Gustafson	Latz	Morrison	Putnam
Champion	Hauschild	Mann	Murphy	Rest
Cwodzinski	Hawj	Marty	Nelson	Seeberger
Dibble	Hoffman	Maye Quade	Oumou Verbeten	Westlin
Dziedzic	Klein	McEwen	Pappas	Wiklund
Fateh	Kunesh	Mitchell	Pha	Xiong

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, Port, and Putnam.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Duckworth	Jasinski	Lucero	Weber
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Coleman	Farnsworth	Koran	Miller	Westrom
Dahms	Green	Kreun	Pratt	
Dornink	Gruenhagen	Lang	Rarick	
Draheim	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3454: A bill for an act relating to the military; modifying the definition of criminal justice agencies; modifying data that the adjutant general may request from other agencies; modifying powers of the adjutant general; authorizing the adjutant general to establish a referral bonus program; modifying the crime of unauthorized presence at military installations; amending Minnesota Statutes 2022, sections 13.02, subdivision 3a; 13.785; 190.16, subdivisions 3, 6a; 192.25; 192.501, by adding a subdivision; 192.67; 609.396.

President Champion resumed the Chair.

Senator Mitchell moved to amend H.F. No. 3454, as amended pursuant to Rule 45, adopted by the Senate April 15, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4429.)

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 2022, section 13.02, subdivision 3a, is amended to read:

Subd. 3a. **Criminal justice agencies.** "Criminal justice agencies" means all state and local prosecution authorities, all state and local law enforcement agencies, the Sentencing Guidelines Commission, the Bureau of Criminal Apprehension, the Department of Corrections, the Minnesota National Guard, and all probation officers who are not part of the judiciary.

Sec. 2. Minnesota Statutes 2022, section 13.785, is amended to read:

13.785 VETERANS OR MILITARY AFFAIRS DATA CODED ELSEWHERE.

Subdivision 1. **Scope.** The sections referred to in this section are codified outside this chapter. Those sections classify veterans or military affairs data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Department of Veterans Affairs.** (a) **Certain veterans benefits and military certificates of discharge.** Access to military certificates of discharge and to files pertaining to claims for certain veterans benefits is governed by section 196.08.

(b) **Environmental Hazards Information and Assistance Act.** Disclosure of summary data and of the identity of a veteran about whom information is received under sections 196.19 to 196.26, is governed by section 196.25.

Subd. 3. **Veterans rewards and privileges; service officers.** Data maintained by county veterans service officers are classified under section 197.603.

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

Subd. 5. **Veterans stable housing.** Data maintained for purposes of the veterans stable housing initiative is classified under section 196.081.

Subd. 6. **Service member data; disclosure to adjutant general.** Access to data on a service member of the military forces by the adjutant general of the Minnesota National Guard is governed by section 192.67, subdivision 2."

Page 2, after line 10, insert:

"Sec. 5. Minnesota Statutes 2022, section 192.25, is amended to read:

192.25 EXEMPTION FROM PROCESS; TRANSFER TO CIVIL AUTHORITIES.

Subdivision 1. **Exemption from process.** No member of the guard shall be arrested, or served with any summons, order, warrant or other civil process after having been ordered to any duty or while going to, attending or returning from any place to which the member is required to go for military duty; but nothing herein shall prevent an arrest by order of a military officer or for a felony or breach of the peace committed while not in the actual performance of assigned duties. The articles of equipment personally owned by such members shall be exempt from seizure or sale for debt.

Subd. 2. **Transfer to civil authorities.** When probable cause exists that a criminal offense, other than a crime designated as a purely military offense in section 192A.021, has been committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member may be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for adjudication of such crime, to include imposition of pretrial restraint, but trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court-martial for any military offense resulting from the commission of said crime."

Page 2, after line 31, insert:

"Sec. 7. Minnesota Statutes 2022, section 192.67, is amended to read:

192.67 OFFENDERS; ~~TRANSFER TO CIVIL AUTHORITIES;~~ SERVICE MEMBER DATA.

~~Subdivision 1. **Transfer to civil authorities.** When any criminal offense is committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member shall be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for punishment for such crime, but such trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court martial for any military offense resulting from the commission of said crime.~~

Subd. 2. **Service member data.** Notwithstanding any provision of chapter 13 or other state law, all confidential data on individuals and private data on individuals, as defined by section 13.02, subdivisions 3 and 12, pertaining to any service member of the military forces and maintained by any government entity, including but not limited to investigative reports and law enforcement data, including but not limited to all data collected and defined under section 13.82 pertaining to any service member of the military forces, must be made accessible to the adjutant general of the Minnesota National Guard upon request of the Office of the State Judge Advocate, except for data under chapter 5B. All information, data, and records obtained under this subdivision may be accessed, copied, transmitted, or provided to the adjutant general without a court order or request from the subject of the data when the matter involves any officer or enlisted member of the military forces. The adjutant general may only use data made accessible under this subdivision in support of military justice and Minnesota National Guard administrative and disciplinary actions."

Page 9, after line 28, insert:

"Sec. 21. Minnesota Statutes 2022, section 609.396, is amended to read:

609.396 UNAUTHORIZED PRESENCE AT CAMP RIPLEY ON MILITARY INSTALLATIONS.

Subdivision 1. **Misdemeanor.** A person is guilty of a misdemeanor if the person intentionally and without the authorization of the adjutant general or a duly appointed commander in accordance with federal regulations enters or is present on the Camp Ripley Military Reservation or in any campground, any military reservation, any armory, any installation, or any facility owned or controlled by the state or federal government for military purposes.

Subd. 2. **Felony.** A person is guilty of a felony and may be sentenced to not more than five years imprisonment or to payment of a fine of not more than \$10,000, or both, if:

(1) the person intentionally enters or is present in an area ~~at the Camp Ripley Military Reservation~~ that is posted by order of the adjutant general as restricted for weapon firing or other hazardous military activity; and

(2) the person knows that doing so creates a risk of death, bodily harm, or serious property damage."

Page 16, after line 28, insert:

"Sec. 24. Laws 2023, chapter 38, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. Veterans Health Care	90,025,000	100,797,000
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(a) The base for this appropriation in fiscal year 2026 is \$93,387,000 and \$94,435,000 in fiscal year 2027 and each fiscal year thereafter.

(b) \$88,885,000 the first year and \$99,847,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. If the amount available in fiscal year 2024 is insufficient, the amount appropriated in fiscal year 2025 is available in fiscal year 2024. The base for this transfer is \$92,437,000 in fiscal year 2026 and \$93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) \$400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(e) \$190,000 the first year is for the working group established under article 2, section 8."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3454 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, Port, and Putnam.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Bahr	Howe
------	------

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 3204: A bill for an act relating to state government; public employees insurance program modifications; amending Minnesota Statutes 2022, section 43A.316, subdivision 5.

S.F. No. 3204 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 22, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Frentz	Jasinski	Limmer
Boldon	Draheim	Gustafson	Klein	Mann
Carlson	Duckworth	Hauschild	Kreun	Marty
Champion	Dziedzic	Hawj	Kunesh	Maye Quade
Coleman	Farnsworth	Hoffman	Kupec	McEwen
Cwodzinski	Fateh	Housley	Latz	Miller

Mitchell
Mohamed
Morrison

Murphy
Nelson
Oumou Verbeten

Pappas
Pha
Port

Putnam
Rest
Seeberger

Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, Port, and Putnam.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Anderson
Bahr
Dahms
Dornink
Draskowski

Eichorn
Green
Gruenhagen
Howe
Johnson

Koran
Lang
Lieske
Lucero
Mathews

Pratt
Rarick
Rasmusson
Utke
Weber

Wesenberg
Westrom

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 4784: A bill for an act relating to energy; establishing the Minnesota Energy Infrastructure Permitting Act; modifying provisions governing certificates of need; making conforming and technical changes; authorizing administrative rulemaking; providing for coordinated plans to complete environmental review and other state agency actions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 216A.037, subdivision 1; 216B.2421, subdivision 2; 216B.243, subdivisions 3, 3a, 4, 9; 216E.08, subdivision 2; 216E.11; 216E.13; 216E.14; 216E.15; 216E.16; 216E.18, subdivision 2a; Minnesota Statutes 2023 Supplement, sections 10.65, subdivision 2; 216B.243, subdivision 8; 216E.06; 216E.07; 216E.10, subdivisions 1, 2, 3; proposing coding for new law in Minnesota Statutes, chapters 84; 116; proposing coding for new law as Minnesota Statutes, chapter 216I; repealing Minnesota Statutes 2022, sections 216E.001; 216E.01, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10; 216E.02; 216E.021; 216E.03, subdivisions 2, 3a, 3b, 4, 9; 216E.04, subdivisions 1, 3, 4, 5, 6, 7, 8, 9; 216E.05, subdivisions 1, 3; 216E.08, subdivisions 1, 4; 216E.18, subdivisions 1, 2; 216F.01; 216F.011; 216F.012; 216F.015; 216F.02; 216F.03; 216F.05; 216F.06; 216F.07; 216F.08; 216F.081; Minnesota Statutes 2023 Supplement, sections 216E.01, subdivisions 3a, 6, 9a; 216E.03, subdivisions 1, 3, 5, 6, 7, 10, 11; 216E.04, subdivision 2; 216E.05, subdivision 2; 216F.04; Minnesota Rules, parts 7850.1000; 7850.1100; 7850.1200; 7850.1300; 7850.1400; 7850.1500; 7850.1600; 7850.1700; 7850.1800; 7850.1900; 7850.2000; 7850.2100; 7850.2200; 7850.2300; 7850.2400; 7850.2500; 7850.2600; 7850.2700; 7850.2800; 7850.2900; 7850.3000; 7850.3100; 7850.3200; 7850.3300; 7850.3400; 7850.3500; 7850.3600; 7850.3700; 7850.3800; 7850.3900; 7850.4000; 7850.4100; 7850.4200; 7850.4500; 7850.4600; 7850.4700; 7850.4800; 7850.4900; 7850.5000; 7850.5100; 7850.5200; 7850.5300; 7850.5400; 7850.5500; 7850.5600; 7854.0100; 7854.0200; 7854.0300; 7854.0400; 7854.0500; 7854.0600; 7854.0700; 7854.0800; 7854.0900; 7854.1000; 7854.1100; 7854.1200; 7854.1300; 7854.1400; 7854.1500.

Senator Frenz moved to amend S.F. No. 4784 as follows:

Page 2, line 21, after the semicolon, insert "and"

Page 2, line 22, delete "; and" and insert a period

Page 2, delete line 23

Page 3, after line 28, insert:

"Subd. 14. **Power purchase agreement.** "Power purchase agreement" means a legally enforceable agreement between two or more persons where one or more of the signatories agrees to provide electrical power and one or more of the signatories agrees to purchase the power."

Renumber the subdivisions in sequence

Page 4, after line 15, insert:

"Subdivision 1. **Policy.** The legislature hereby declares it to be the policy of the state to locate large electric power facilities in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the commission shall choose locations that minimize adverse human and environmental impact while ensuring continuing electric power system reliability and integrity and ensuring that electric energy needs are met and fulfilled in an orderly and timely fashion."

Renumber the subdivisions in sequence

Page 6, after line 5, insert:

"(c) A site permit does not authorize construction of a large electric power generating plant until the permittee has obtained a power purchase agreement or some other enforceable mechanism for sale of the power to be generated by the project. If the permittee does not have a power purchase agreement or other enforceable mechanism at the time the permit is issued, the commission must provide in the permit that the permittee shall advise the commission when it obtains a commitment for purchase of the power. The commission may establish as a condition in the permit, a date by which the permittee must obtain a power purchase agreement or other enforceable mechanism, or the site permit is null and void."

Page 7, line 9, delete "and"

Page 7, line 10, delete the period and insert "; and"

Page 7, after line 10, insert:

"(16) a discussion of coordination with Minnesota Tribal governments, as defined under section 10.65, subdivision 2, by the applicant including but not limited to the notice required under subdivision 5 of this section."

Page 13, line 29, delete "later" and insert "sooner"

Page 13, line 33, after the period, insert "The commission may designate a portion of the hearing to be conducted as a contested case proceeding under chapter 14."

Page 14, line 10, delete "within" and insert "no less than" and delete "of" and insert "after"

Page 14, line 13, delete "no later than 30 days"

Page 16, line 1, delete "up to 20 days"

Page 16, line 5, after "closes" insert ", or the date the report is filed, whichever is later"

Page 18, line 20, after the period, insert "If there are significant changes to the environmental impacts evaluated by the commission as part of the initial permit approval, environmental review must be conducted pursuant to the applicable requirements of Minnesota Rules, chapter 4410 and parts 7849.1000 to 7849.2100."

Page 18, line 28, delete everything after the third period, and insert "Within 30 days of the date the applicant responds to submitted comments under subdivision 4, the"

Page 22, line 17, reinstate the stricken language

Page 22, line 18, delete "275"

Page 23, lines 7 to 11, reinstate the stricken language and delete the new language

Page 26, line 27, after "standard" insert "and carbon-free energy standard" and reinstate "~~a wind~~"

Page 26, line 28, reinstate the stricken language and delete the new language

Page 26, line 29, delete the new language

Page 26, line 30, after "216B.1691" insert ", subdivision 2a or 2g"

Page 32, line 28, delete "EQ" and insert "EQB"

Senator Mathews moved to amend the Frenz amendment to S.F. No. 4784 as follows:

Page 2, delete lines 21 to 25

The question was taken on the adoption of the Mathews amendment to the Frenz amendment.

The roll was called, and there were yeas 32 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Abeler	Fateh	Kunesh	Mitchell	Port
Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic, Latz, McEwen, Pha, Port, and Putnam.

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the adoption of the Frentz amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kupec	Mohamed	Putnam
Boldon	Frentz	Latz	Morrison	Rest
Carlson	Gustafson	Mann	Murphy	Seeberger
Champion	Hauschild	Marty	Oumou Verbeten	Westlin
Cwodzinski	Hawj	Maye Quade	Pappas	Wiklund
Dibble	Hoffman	McEwen	Pha	Xiong
Dziedzic	Klein	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Latz, McEwen, Pha, Port, and Putnam.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Limmer	Rasmusson
Bahr	Eichorn	Johnson	Lucero	Utke
Coleman	Farnsworth	Koran	Mathews	Weber
Dahms	Green	Kreun	Miller	Wesenberg
Dornink	Gruenhagen	Kunesh	Nelson	Westrom
Draheim	Housley	Lang	Pratt	
Drazkowski	Howe	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

The motion prevailed. So the amendment was adopted.

Senator Mathews moved to amend S.F. No. 4784 as follows:

Page 34, delete section 1

Page 38, delete section 2 and insert:

"Section 1. Minnesota Statutes 2022, section 15.99, subdivision 3, is amended to read:

Subd. 3. **Application; extensions.** (a) The time limit in subdivision 2 begins upon the agency's receipt of a written request containing all information required by law or by a previously adopted rule, ordinance, or policy of the agency, including the applicable application fee. If an agency

receives a written request that does not contain all required information, the 60-day limit starts over only if the agency sends written notice within 15 business days of receipt of the request telling the requester what information is missing.

(b) If a request relating to zoning, septic systems, watershed district review, soil and water conservation district review, or expansion of the metropolitan urban service area requires the approval of more than one state agency in the executive branch, the 60-day period in subdivision 2 begins to run for all executive branch agencies on the day a request containing all required information is received by one state agency. The agency receiving the request must forward copies to other state agencies whose approval is required.

(c) An agency response, including an approval with conditions, meets the 60-day time limit if the agency can document that the response was sent within 60 days of receipt of the written request. Failure to satisfy the conditions, if any, may be a basis to revoke or rescind the approval by the agency and will not give rise to a claim that the 60-day limit was not met.

(d) The time limit in subdivision 2 is extended if a state statute, federal law, or court order requires a process to occur before the agency acts on the request, and the time periods prescribed in the state statute, federal law, or court order make it impossible to act on the request within 60 days. In cases described in this paragraph, the deadline is extended to 60 days after completion of the last process required in the applicable statute, law, or order. Final approval of an agency receiving a request is not considered a process for purposes of this paragraph.

(e) The time limit in subdivision 2 is extended if: (1) a request submitted to a state agency requires prior approval of a federal agency; or (2) an application submitted to a city, county, town, school district, metropolitan or regional entity, or other political subdivision requires prior approval of a state or federal agency. In cases described in this paragraph, the deadline for agency action is extended to 60 days after the required prior approval is granted.

(f) An agency may extend the time limit in subdivision 2 before the end of the initial 60-day period by providing written notice of the extension to the applicant. The notification must state the reasons for the extension and its anticipated length, which may not exceed 60 days unless approved by the applicant. There may be no more than one extension under this paragraph of any determination under sections 103G.221 to 103G.2375.

(g) An applicant may by written notice to the agency request an extension of the time limit under this section.

Sec. 2. [84.0265] ENVIRONMENTAL REVIEW AND PERMITTING; COORDINATED PROJECT PLANS.

Subdivision 1. **Definitions.** In this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of natural resources;

(2) "coordinated project plan" or "plan" means a plan to ensure that any required environmental review and other required state agency actions are completed efficiently by coordinating and establishing deadlines for all necessary state agency actions;

(3) "eligible project" means:

(i) a project that requires an environmental assessment worksheet or an environmental impact statement under chapter 116D; or

(ii) a license, permit, certificate, certification, approval, compliance schedule, or other authorization for which approval includes considerations to protect land, air, or water resources and that:

(A) must be obtained from the commissioner before constructing or operating a facility in the state; or

(B) will have a significant impact on regulatory requirements for constructing or operating a facility; and

(4) "state agency" means an office, board, commission, authority, department, or other agency of the executive branch of state government.

Subd. 2. **State policy.** It is the goal of the state to maximize the coordination, effectiveness, transparency, and accountability of environmental review, environmental permitting, and other critical regulatory actions for facilities in Minnesota.

Subd. 3. **Early communication; identifying issues.** (a) To the extent practicable, the commissioner must establish and provide an expeditious process for a person requesting or planning to request a coordinated project plan to confer with the commissioner, other state agencies, and federal, Tribal, and local agencies and to obtain from those agencies information about:

(1) the availability of any information and tools, including preapplication toolkits, to facilitate early planning efforts;

(2) key issues of concern to each agency and to the public; and

(3) issues that must be addressed before an environmental review, permit action, or other required action by a state agency can be completed.

(b) The commissioner and other state agencies must identify, as early as practicable, any issues of concern regarding the potential environmental impacts related to an eligible project, including any issues that could substantially delay or prevent a state agency from completing agency decisions.

Subd. 4. **Plan preparation; participating agencies.** (a) A person who submits an application for an eligible project to the commissioner may request that the commissioner prepare a coordinated project plan to complete any required environmental review and other agency actions for the eligible project. A plan may be incorporated into a memorandum of understanding with other state and federal agencies and Tribes.

(b) Within 60 days of receiving a request under paragraph (a), the commissioner must prepare a coordinated project plan in consultation with the requestor and other state agencies identified under paragraph (c).

(c) Any state agency that has environmental review, permitting, or other regulatory authority over the eligible project or that intends to comment on environmental review or an application for the eligible project must participate in developing a coordinated project plan.

Subd. 5. **Plan contents; synchronization; updates.** (a) A coordinated project plan must include:

(1) a list of all state agencies with environmental review, permitting, or other regulatory authority over the eligible project and an explanation of each agency's specific role and responsibilities for actions under the coordinated project plan;

(2) plans and a schedule for any public and Tribal outreach and coordination; and

(3) a comprehensive schedule of deadlines by which all environmental reviews, permits, and other state agency actions, including those at the federal level to the extent practicable, must be completed. The deadlines established under this clause must include intermediate and final completion deadlines for actions by each state agency and must be consistent with subdivision 6.

(b) To the extent practicable under applicable law, the commissioner and participating state agencies must synchronize state environmental review, permitting, and decision processes listed in the coordinated project plan with any federal, local, or Tribal agency responsible for conducting a review or authorization related to an eligible project to ensure timely and efficient completion of environmental reviews and state agency decisions. To the extent practicable, any synchronization plan must be included in a memorandum of understanding with affected agencies.

(c) The commissioner must update a coordinated project plan quarterly.

Subd. 6. **Required deadlines.** (a) Deadlines established in a coordinated project plan must comply with this subdivision.

(b) When an environmental assessment worksheet is prepared for an eligible project for which an environmental impact statement is not mandatory under Minnesota Rules, chapter 4410, the decision on the need for an environmental impact statement must be made as expeditiously as possible but no later than 18 months after the environmental assessment worksheet is submitted.

(c) When an environmental impact statement is prepared for an eligible project, the decision on the adequacy of the final environmental impact statement must be made as expeditiously as possible but no later than three years after the data for the environmental assessment worksheet is submitted.

(d) If the commissioner includes plan deadlines that are inconsistent with paragraphs (b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy to explain how deadlines were established and why the deadlines under paragraphs (b) and (c) are not attainable. The anticipated time required to obtain a federal permit or decision may not serve as the sole basis for a decision to deviate from the deadlines under paragraphs (b) and (c).

Subd. 7. **Deadline compliance; modification.** (a) A state agency that participates in developing a coordinated project plan must comply with deadlines established in the plan. If a participating state agency fails to meet a deadline established in a coordinated project plan or anticipates failing

to meet a deadline, the state agency must immediately notify the commissioner to explain the reason for the failure or anticipated failure and to propose a date for a modified deadline.

(b) The commissioner may modify a deadline established in a coordinated project plan only if:

(1) the commissioner or state agency provides the person that requested the plan with a written justification for the modification; and

(2) the commissioner and the state agency, after consultation with the person that requested the plan, mutually agree on a different deadline.

(c) If the combined modifications to one or more deadlines established in a coordinated project plan extend the initially anticipated final decision date for an eligible project application by more than 20 percent, then within 30 days of the last modification, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy to explain the reason the modifications are necessary. For purposes of calculating the percentage of time that modifications have extended the anticipated final decision date, modifications made necessary by reasons wholly outside the control of state agencies must not be considered.

Subd. 8. **Annual report.** The commissioner must annually submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy a report on progress toward required actions described in a coordinated project plan until the required actions are completed or the requestor withdraws the plan request.

Subd. 9. **Relation to other law.** Nothing in this section is to be construed to require an act that conflicts with applicable federal law. Nothing in this section affects the specific statutory obligations of a state agency to comply with criteria or standards of environmental quality.

Sec. 3. Minnesota Statutes 2022, section 116.03, subdivision 2b, is amended to read:

Subd. 2b. **Permitting efficiency.** (a) It is the goal of the state that environmental and resource management permits be issued or denied within 90 days for tier 1 permits or 150 days for tier 2 permits following submission of a permit application. The commissioner of the Pollution Control Agency ~~shall~~ must establish management systems designed to achieve the goal. For the purposes of this section, "tier 1 permits" are permits that do not require individualized actions or public comment periods, and "tier 2 permits" are permits that require individualized actions or public comment periods.

(b) The commissioner ~~shall~~ must prepare ~~an annual~~ semiannual permitting efficiency ~~report~~ reports that ~~includes~~ include statistics on meeting the tier 2 goal in paragraph (a) and the criteria for tier 2 by permit categories. ~~The report is due~~ reports must be submitted to the governor and to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment policy and finance by February 1 and August 1 each year and must be posted on the agency's website. Each report must include:

(1) for each permit ~~applications~~ application that ~~have~~ has not met the goal, ~~the report must state the reasons for not meeting the goal. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays~~ an explanation of whether the delay was caused by the responsiveness

of the proposer, ~~lack of staff~~, scientific or technical disagreements, or the level of public engagement. ~~The report must specify;~~

(2) for each permit that has not met the goal, the number of days from initial submission of the application to the day of determination that the application is complete. ~~The report must aggregate;~~

(3) a summary of the data for the year reporting period and assess an assessment of whether program or system changes are necessary to achieve the tier 2 goal. ~~The report must be posted on the agency's website and submitted to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment policy and finance.~~ in paragraph (a); and

(4) a statement of the number of tier 2 permits completed within the reporting period and, immediately following in parentheses, a statement of the percentage of total applications received for that tier 2 permit category that the number represents, stated separately for industrial and municipal permits.

(c) The commissioner ~~shall~~ must allow electronic submission of environmental review and permit documents to the agency.

(d) Within 30 business days of application for a permit subject to paragraph (a), the commissioner of the Pollution Control Agency ~~shall~~ must notify the permit applicant, in writing, whether the application is complete or incomplete. If an application is missing information, the commissioner must attempt to complete the application where practicable by applying reasonable assumptions to supply the missing information and must include that information in the application. If the commissioner determines that an application is incomplete, the notice to the applicant must enumerate all deficiencies, citing specific provisions of the applicable rules and statutes, and advise the applicant on how the deficiencies can be remedied. Submission by the applicant of additional information to correct deficiencies does not restart the 30 business days allowed under this paragraph for the agency to determine whether the application is complete or incomplete unless the corrected application is more than 30 percent larger than the deficient application. If the commissioner determines that the application is complete, the notice must confirm the application's tier 1 or tier 2 permit status and must inform the applicant of any missing information that was supplied by the commissioner under this paragraph. If the commissioner believes that a complete application for a tier 2 construction permit cannot be issued within the 150-day goal, the commissioner must provide notice to the applicant with the commissioner's notice that the application is complete and, upon request of the applicant, provide the permit applicant with a schedule estimating when the agency will begin drafting the permit and issue the public notice of the draft permit. Failure to meet the goal in paragraph (a) for issuing a type 2 permit constitutes a final decision of the agency for purposes of section 115.05, subdivision 11. This paragraph does not apply to an application for a permit that is subject to a grant or loan agreement under chapter 446A.

(e) For purposes of this subdivision, "permit professional" means an individual not employed by the Pollution Control Agency who:

(1) has a professional license issued by the state of Minnesota in the subject area of the permit;

(2) has at least ten years of experience in the subject area of the permit; and

(3) abides by the duty of candor applicable to employees of the Pollution Control Agency under agency rules and complies with all applicable requirements under chapter 326.

(f) Upon the agency's request, an applicant relying on a permit professional must participate in a meeting with the agency before submitting an application:

(1) at least two weeks prior to the preapplication meeting, the applicant must submit at least the following:

(i) project description, including, but not limited to, scope of work, primary emissions points, discharge outfalls, and water intake points;

(ii) location of the project, including county, municipality, and location on the site;

(iii) business schedule for project completion; and

(iv) other information requested by the agency at least four weeks prior to the scheduled meeting; and

(2) during the preapplication meeting, the agency ~~shall~~ must provide for the applicant at least the following:

(i) an overview of the permit review program;

(ii) a determination of which specific application or applications will be necessary to complete the project;

(iii) a statement notifying the applicant if the specific permit being sought requires a mandatory public hearing or comment period;

(iv) a review of the timetable established in the permit review program for the specific permit being sought; and

(v) a determination of what information must be included in the application, including a description of any required modeling or testing.

(g) The applicant may select a permit professional to undertake the preparation of the permit application and draft permit.

(h) If a preapplication meeting was held, the agency ~~shall~~ must, within seven business days of receipt of an application, notify the applicant and submitting permit professional that the application is complete or is denied, specifying the deficiencies of the application.

(i) Upon receipt of notice that the application is complete, the permit professional ~~shall~~ must submit to the agency a timetable for submitting a draft permit. The permit professional ~~shall~~ must submit a draft permit on or before the date provided in the timetable. Within 60 days after the close of the public comment period, the commissioner ~~shall~~ must notify the applicant whether the permit can be issued.

(j) Nothing in this section shall be construed to modify:

(1) any requirement of law that is necessary to retain federal delegation to or assumption by the state; or

(2) the authority to implement a federal law or program.

(k) The permit application and draft permit ~~shall~~ must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the permit application and draft permit. The commissioner ~~shall~~ must request additional studies, if needed, and the permit applicant ~~shall~~ must submit all additional studies and information necessary for the commissioner to perform the commissioner's responsibility to review, modify, and determine the completeness of the application and approve the draft permit.

Sec. 4. [116.035] ENVIRONMENTAL REVIEW AND PERMITTING; COORDINATED PROJECT PLANS.

Subdivision 1. Definitions. In this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of the Pollution Control Agency;

(2) "coordinated project plan" or "plan" means a plan to ensure that any required environmental review and other required state agency actions are completed efficiently by coordinating and establishing deadlines for all necessary state agency actions;

(3) "eligible project" means:

(i) a project that requires an environmental assessment worksheet or an environmental impact statement under chapter 116D; or

(ii) a license, permit, certificate, certification, approval, compliance schedule, or other authorization for which approval includes considerations to protect land, air, or water resources and that:

(A) must be obtained from the commissioner before constructing or operating a facility in the state; or

(B) will have a significant impact on regulatory requirements for constructing or operating a facility; and

(4) "state agency" means an office, board, commission, authority, department, or other agency of the executive branch of state government.

Subd. 2. State policy. It is the goal of the state to maximize the coordination, effectiveness, transparency, and accountability of environmental review, environmental permitting, and other critical regulatory actions for facilities in Minnesota.

Subd. 3. Early communication; identifying issues. (a) To the extent practicable, the commissioner must establish and provide an expeditious process for a person requesting or planning to request a coordinated project plan to confer with the commissioner, other state agencies, and federal, Tribal, and local agencies and to obtain from those agencies information about:

(1) the availability of any information and tools, including preapplication toolkits, to facilitate early planning efforts;

(2) key issues of concern to each agency and to the public; and

(3) issues that must be addressed before an environmental review, permit action, or other required action by a state agency can be completed.

(b) The commissioner and other state agencies must identify, as early as practicable, any issues of concern regarding the potential environmental impacts related to an eligible project, including any issues that could substantially delay or prevent a state agency from completing agency decisions.

Subd. 4. **Plan preparation; participating agencies.** (a) A person who submits an application for an eligible project to the commissioner may request that the commissioner prepare a coordinated project plan to complete any required environmental review and other agency actions for the eligible project. A plan may be incorporated into a memorandum of understanding with other state and federal agencies and Tribes.

(b) Within 60 days of receiving a request under paragraph (a), the commissioner must prepare a coordinated project plan in consultation with the requestor and other state agencies identified under paragraph (c).

(c) Any state agency that has environmental review, permitting, or other regulatory authority over the eligible project or that intends to comment on environmental review or an application for the eligible project must participate in developing a coordinated project plan.

Subd. 5. **Plan contents; synchronization; updates.** (a) A coordinated project plan must include:

(1) a list of all state agencies with environmental review, permitting, or other regulatory authority over the eligible project and an explanation of each agency's specific role and responsibilities for actions under the coordinated project plan;

(2) plans and a schedule for any public and Tribal outreach and coordination; and

(3) a comprehensive schedule of deadlines by which all environmental reviews, permits, and other state agency actions, including those at the federal level to the extent practicable, must be completed. The deadlines established under this clause must include intermediate and final completion deadlines for actions by each state agency and must be consistent with subdivision 6.

(b) To the extent practicable under applicable law, the commissioner and participating state agencies must synchronize state environmental review, permitting, and decision processes listed in the coordinated project plan with any federal, local, or Tribal agency responsible for conducting a review or authorization related to an eligible project to ensure timely and efficient completion of environmental reviews and state agency decisions. To the extent practicable, any synchronization plan must be included in a memorandum of understanding with affected agencies.

(c) The commissioner must update a coordinated project plan quarterly.

Subd. 6. **Required deadlines.** (a) Deadlines established in a coordinated project plan must comply with this subdivision.

(b) When an environmental assessment worksheet is prepared for an eligible project for which an environmental impact statement is not mandatory under Minnesota Rules, chapter 4410, the decision on the need for an environmental impact statement must be made as expeditiously as possible but no later than 18 months after the environmental assessment worksheet is submitted.

(c) When an environmental impact statement is prepared for an eligible project, the decision on the adequacy of the final environmental impact statement must be made as expeditiously as possible but no later than three years after the data for the environmental assessment worksheet is submitted.

(d) If the commissioner includes plan deadlines that are inconsistent with paragraphs (b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy to explain how deadlines were established and why the deadlines under paragraphs (b) and (c) are not attainable. The anticipated time required to obtain a federal permit or decision may not serve as the sole basis for a decision to deviate from the deadlines under paragraphs (b) and (c).

Subd. 7. **Deadline compliance; modification.** (a) A state agency that participates in developing a coordinated project plan must comply with deadlines established in the plan. If a participating state agency fails to meet a deadline established in a coordinated project plan or anticipates failing to meet a deadline, the state agency must immediately notify the commissioner to explain the reason for the failure or anticipated failure and to propose a date for a modified deadline.

(b) The commissioner may modify a deadline established in a coordinated project plan only if:

(1) the commissioner or state agency provides the person that requested the plan with a written justification for the modification; and

(2) the commissioner and the state agency, after consultation with the person that requested the plan, mutually agree on a different deadline.

(c) If the combined modifications to one or more deadlines established in a coordinated project plan extend the initially anticipated final decision date for an eligible project application by more than 20 percent, then within 30 days of the last modification, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy to explain the reason the modifications are necessary. For purposes of calculating the percentage of time that modifications have extended the anticipated final decision date, modifications made necessary by reasons wholly outside the control of state agencies must not be considered.

Subd. 8. **Annual report.** The commissioner must annually submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy a report on progress toward required actions described in a coordinated project plan until the required actions are completed or the requestor withdraws the plan request.

Subd. 9. **Relation to other law.** Nothing in this section is to be construed to require an act that conflicts with applicable federal law. Nothing in this section affects the specific statutory obligations of a state agency to comply with criteria or standards of environmental quality.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. **Permits.** (a) The Pollution Control Agency may issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the emission of air contaminants, or for the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, or for the sources or emissions of noise pollution. The Pollution Control Agency must issue separate permits for constructing a facility described in this paragraph and for its operation. The Pollution Control Agency must issue these permits in a manner that minimizes the time required to construct and begin operation of the permitted facility.

(b) The Pollution Control Agency may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the storage, collection, transportation, processing, or disposal of waste, or for the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste.

(c) The agency may not issue a permit to a facility without analyzing and considering the cumulative levels and effects of past and current environmental pollution from all sources on the environment and residents of the geographic area within which the facility's emissions are likely to be deposited, provided that the facility is located in a community in a city of the first class in Hennepin County that meets all of the following conditions:

(1) is within a half mile of a site designated by the federal government as an EPA superfund site due to residential arsenic contamination;

(2) a majority of the population are low-income persons of color and American Indians;

(3) a disproportionate percent of the children have childhood lead poisoning, asthma, or other environmentally related health problems;

(4) is located in a city that has experienced numerous air quality alert days of dangerous air quality for sensitive populations between February 2007 and February 2008; and

(5) is located near the junctions of several heavily trafficked state and county highways and two one-way streets which carry both truck and auto traffic.

(d) The Pollution Control Agency may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to prevent or abate pollution.

(e) The Pollution Control Agency has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, the agency's issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to Minnesota Statutes 2020, sections 366.10 to 366.181,

or sections 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility.

(f) Except as prohibited by federal law, a person may commence construction, reconstruction, replacement, or modification of any facility prior to the issuance of a construction permit by the agency.

Sec. 6. Minnesota Statutes 2022, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee shall be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may ~~offer request expedited permitting under this paragraph. An applicant requesting expedited permitting under this paragraph must agree to reimburse the agency for the costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement shall be is~~ in addition to permit application fees imposed by law. ~~When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement.~~ The commissioner must give the applicant an estimate of the timeline and costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. If the applicant agrees to the estimated timeline and costs negotiated with the commissioner, the applicant and the commissioner must enter into a written agreement detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency to proceed accordingly. The agreement must ~~also~~ identify staff anticipated to be assigned to the project. The agreement may provide that, if permitting is completed ahead of the schedule set forth in the written agreement, the commissioner may retain any fees that would have been due if the permitting had taken the time contemplated in the written agreement. Fees retained by the commissioner under this paragraph are appropriated to the commissioner to pay for administering the commissioner's permitting duties. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 7. Minnesota Statutes 2022, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** (a) Where there is potential for significant environmental effects resulting from any major governmental action, the action must be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement must be an analytical rather than an encyclopedic document that describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement must also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement must be prepared as early as practical in the formulation of an action.

(b) The board ~~shall~~ must by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets must be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet is not required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared is the state agency with the greatest responsibility for supervising or approving the project as a whole.

(c) A mandatory environmental impact statement is not required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.15, subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock is not considered a fuel conversion facility as used in rules adopted under this chapter.

(d) The responsible governmental unit ~~shall~~ must promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a website that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the board and ~~shall~~ must provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit may extend the 30-day comment period for an additional 30 days one time. Further extensions of the comment period may not be made unless approved by the project's proposer. The responsible governmental unit's decision on the need for an environmental impact statement must be based on the environmental assessment worksheet and the comments received during the

comment period, and must be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(e) An environmental assessment worksheet must also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in ~~the state~~ a county where the proposed action will be undertaken or in one or more adjoining counties, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet must be submitted to the board. The chair of the board ~~shall~~ must determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet must be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

(f) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

(g) The board may, before final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(h) An early and open process must be used to limit the scope of the environmental impact statement to a discussion of those impacts that, because of the nature or location of the project, have the potential for significant environmental effects. The same process must be used to determine the form, content, and level of detail of the statement as well as the alternatives that are appropriate for consideration in the statement. In addition, the permits that will be required for the proposed action must be identified during the scoping process. Further, the process must identify those permits for

which information will be developed concurrently with the environmental impact statement. The board ~~shall~~ must provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process must be incorporated into the order requiring the preparation of an environmental impact statement.

(i) The responsible governmental unit ~~shall~~ must, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project must be developed in conjunction with the preparation of an environmental impact statement. When an environmental impact statement is prepared for a project requiring multiple permits for which two or more agencies' decision processes include either mandatory or discretionary hearings before a hearing officer before the agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the contrary, conduct the hearings in a single consolidated hearing process if requested by the proposer. All agencies having jurisdiction over a permit that is included in the consolidated hearing ~~shall~~ must participate. The responsible governmental unit ~~shall~~ must establish appropriate procedures for the consolidated hearing process, including procedures to ensure that the consolidated hearing process is consistent with the applicable requirements for each permit regarding the rights and duties of parties to the hearing, and ~~shall~~ must use the earliest applicable hearing procedure to initiate the hearing. All agencies having jurisdiction over a permit identified in the draft environmental assessment worksheet scoping document must begin reviewing any permit application upon publication of the notice of preparation of the environmental impact statement.

(j) An environmental impact statement must be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit ~~shall~~ must determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit has 60 days to prepare an adequate environmental impact statement.

(k) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit ~~shall~~ must require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

(l) If an environmental or resource management permit is not issued or denied within the applicable period described in paragraph (a), the commissioner must immediately begin review of the application and must take all steps necessary to issue the final permit, deny the permit, or issue the public notice for the draft permit within 150 days of the expiration of the applicable period described in paragraph (a). The commissioner may extend the period for up to 60 days by issuing a written notice to the applicant stating the length of and reason for the extension. Except as prohibited

by federal law, after the applicable period expires, any person may seek an order of the district court requiring the commissioner to immediately take action on the permit application. A time limit under this paragraph may be extended through written agreement between the commissioner and the applicant.

Sec. 8. Minnesota Statutes 2022, section 116J.035, is amended by adding a subdivision to read:

Subd. 9. **Ombudsman for business permitting.** (a) The commissioner of employment and economic development must appoint an ombudsman for business permitting to assist businesses of all sizes with obtaining permits necessary to operate in the state. The ombudsman's duties include but are not limited to:

(1) conducting independent evaluations of all aspects of permitting processes that affect businesses in the state;

(2) monitoring, reviewing, and providing comments and recommendations to federal, state, and local authorities on laws and regulations that impact businesses in the state;

(3) facilitating and promoting participation of businesses in developing laws and regulations that affect businesses;

(4) providing reports to federal, state, and local authorities and the public on the requirements of permitting laws and the laws' impact on businesses;

(5) disseminating information about proposed regulations and other information to businesses and other interested parties;

(6) participating in and sponsoring meetings and conferences about business permitting with state and local regulatory officials, industry groups, and business representatives;

(7) investigating and assisting in resolving complaints and disputes from businesses against state or local authorities;

(8) operating a toll-free telephone line to provide free confidential help on permitting-related problems and grievances;

(9) establishing cooperative programs with trade associations and small businesses to promote and achieve voluntary compliance with applicable laws and regulations;

(10) establishing cooperative programs with federal, state, and local governmental entities and the private sector to assist businesses in securing sources of funding to comply with federal, state, and local permitting laws and regulations;

(11) conducting studies to evaluate the impacts of federal and state permitting laws and regulations on the state's economy, local economies, and businesses; and

(12) coordinating with Minnesota Business First Stop, the ombudsman for small business air-quality compliance assistance, and other relevant state officials.

(b) In carrying out the duties imposed by this subdivision, the ombudsman may act independently of any agency in providing testimony to the legislature, contacting and making periodic reports to federal and state officials as necessary to carry out the duties imposed by this subdivision, and addressing problems or concerns related to business permitting.

(c) The ombudsman must be knowledgeable about federal and state business permitting laws and regulations and federal and state legislative and regulatory processes. The ombudsman must be experienced in dealing with both private enterprise and governmental entities, arbitration and negotiation, interpretation of laws and regulations, investigation, record keeping, report writing, public speaking, and management.

(d) The commissioner of employment and economic development must provide the ombudsman with the necessary office space, supplies, equipment, and clerical support to effectively perform the duties imposed by this subdivision.

Sec. 9. SCOPING ENVIRONMENTAL ASSESSMENT WORKSHEET NOT REQUIRED FOR PROJECTS THAT REQUIRE A MANDATORY ENVIRONMENTAL IMPACT STATEMENT.

(a) The Environmental Quality Board must amend Minnesota Rules, part 4410.2100, as follows:

(1) to provide that neither an environmental assessment worksheet nor any other scoping document needs to be prepared for a project that falls within a mandatory environmental impact statement category under Minnesota Rules, part 4410.4400, or other applicable law; and

(2) to provide that a scoping process undertaken under Minnesota Rules, part 4410.2100, must be completed no later than 280 days after the process begins.

(b) The board may use the good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 10. STATE IMPLEMENTATION PLAN REVISIONS.

(a) The commissioner of the Pollution Control Agency must seek approval from the federal Environmental Protection Agency for revisions to the state's federal Clean Air Act state implementation plan to reflect the requirements of Minnesota Statutes, section 116.07, subdivision 4a, as amended by this act.

(b) The commissioner of the Pollution Control Agency must report quarterly to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy on the status of efforts to implement paragraph (a) until the revisions required by paragraph (a) have been either approved or denied."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Pratt moved to amend S.F. No. 4784 as follows:

Page 37, after line 31, insert:

"Sec. 2. Minnesota Statutes 2022, section 116.03, subdivision 2b, is amended to read:

Subd. 2b. **Permitting efficiency.** (a) It is the goal of the state that environmental and resource management permits be issued or denied within 90 days for tier 1 permits or 150 days for tier 2 permits following submission of a permit application. The commissioner of the Pollution Control Agency ~~shall~~ must establish management systems designed to achieve the goal. For the purposes of this section, "tier 1 permits" are permits that do not require individualized actions or public comment periods, and "tier 2 permits" are permits that require individualized actions or public comment periods.

(b) The commissioner ~~shall~~ must prepare ~~an annual semiannual~~ permitting efficiency report reports that ~~includes~~ include statistics on meeting the tier 2 goal in paragraph (a) and the criteria for tier 2 by permit categories. ~~The report is due~~ reports must be submitted to the governor and to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment policy and finance by February 1 and August 1 each year and must be posted on the agency's website. Each report must include:

(1) for each permit applications application that have has not met the goal, the report must state the reasons for not meeting the goal. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays an explanation of whether the delay was caused by the responsiveness of the proposer, lack of staff, scientific or technical disagreements, or the level of public engagement. The report must specify;

(2) for each permit that has not met the goal, the number of days from initial submission of the application to the day of determination that the application is complete. The report must aggregate;

(3) a summary of the data for the year reporting period and assess an assessment of whether program or system changes are necessary to achieve the tier 2 goal. The report must be posted on the agency's website and submitted to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment policy and finance. in paragraph (a); and

(4) a statement of the number of tier 2 permits completed within the reporting period and, immediately following in parentheses, a statement of the percentage of total applications received for that tier 2 permit category that the number represents, stated separately for industrial and municipal permits.

(c) The commissioner ~~shall~~ must allow electronic submission of environmental review and permit documents to the agency.

(d) Within 30 business days of application for a permit subject to paragraph (a), the commissioner of the Pollution Control Agency ~~shall~~ must notify the permit applicant, in writing, whether the application is complete or incomplete. If an application is missing information, the commissioner must attempt to complete the application where practicable by applying reasonable assumptions to supply the missing information and must include that information in the application. If the commissioner determines that an application is incomplete, the notice to the applicant must enumerate all deficiencies, citing specific provisions of the applicable rules and statutes, and advise the applicant on how the deficiencies can be remedied. Submission by the applicant of additional information to correct deficiencies does not restart the 30 business days allowed under this paragraph for the agency to determine whether the application is complete or incomplete unless the corrected application is more than 30 percent larger than the deficient application. If the commissioner determines that the application is complete, the notice must confirm the application's tier 1 or tier 2 permit status and must inform the applicant of any missing information that was supplied by the commissioner under this paragraph. If the commissioner believes that a complete application for a tier 2 construction permit cannot be issued within the 150-day goal, the commissioner must provide notice to the applicant with the commissioner's notice that the application is complete and, upon request of the applicant, provide the permit applicant with a schedule estimating when the agency will begin drafting the permit and issue the public notice of the draft permit. Failure to meet the goal in paragraph (a) for issuing a type 2 permit constitutes a final decision of the agency for purposes of section 115.05, subdivision 11. This paragraph does not apply to an application for a permit that is subject to a grant or loan agreement under chapter 446A.

(e) For purposes of this subdivision, "permit professional" means an individual not employed by the Pollution Control Agency who:

(1) has a professional license issued by the state of Minnesota in the subject area of the permit;

(2) has at least ten years of experience in the subject area of the permit; and

(3) abides by the duty of candor applicable to employees of the Pollution Control Agency under agency rules and complies with all applicable requirements under chapter 326.

(f) Upon the agency's request, an applicant relying on a permit professional must participate in a meeting with the agency before submitting an application:

(1) at least two weeks prior to the preapplication meeting, the applicant must submit at least the following:

(i) project description, including, but not limited to, scope of work, primary emissions points, discharge outfalls, and water intake points;

(ii) location of the project, including county, municipality, and location on the site;

(iii) business schedule for project completion; and

(iv) other information requested by the agency at least four weeks prior to the scheduled meeting; and

(2) during the preapplication meeting, the agency ~~shall~~ must provide for the applicant at least the following:

(i) an overview of the permit review program;

(ii) a determination of which specific application or applications will be necessary to complete the project;

(iii) a statement notifying the applicant if the specific permit being sought requires a mandatory public hearing or comment period;

(iv) a review of the timetable established in the permit review program for the specific permit being sought; and

(v) a determination of what information must be included in the application, including a description of any required modeling or testing.

(g) The applicant may select a permit professional to undertake the preparation of the permit application and draft permit.

(h) If a preapplication meeting was held, the agency ~~shall~~ must, within seven business days of receipt of an application, notify the applicant and submitting permit professional that the application is complete or is denied, specifying the deficiencies of the application.

(i) Upon receipt of notice that the application is complete, the permit professional ~~shall~~ must submit to the agency a timetable for submitting a draft permit. The permit professional ~~shall~~ must submit a draft permit on or before the date provided in the timetable. Within 60 days after the close of the public comment period, the commissioner ~~shall~~ must notify the applicant whether the permit can be issued.

(j) Nothing in this section shall be construed to modify:

(1) any requirement of law that is necessary to retain federal delegation to or assumption by the state; or

(2) the authority to implement a federal law or program.

(k) The permit application and draft permit ~~shall~~ must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the permit application and draft permit. The commissioner ~~shall~~ must request additional studies, if needed, and the permit applicant ~~shall~~ must submit all additional studies and information necessary for the commissioner to perform the commissioner's responsibility to review, modify, and determine the completeness of the application and approve the draft permit."

Page 41, after line 7, insert:

"Sec. 4. Minnesota Statutes 2022, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** (a) Where there is potential for significant environmental effects resulting from any major governmental action, the action must be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement must be an analytical rather than an encyclopedic document that describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement must also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement must be prepared as early as practical in the formulation of an action.

(b) The board ~~shall~~ must by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets must be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet is not required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared is the state agency with the greatest responsibility for supervising or approving the project as a whole.

(c) A mandatory environmental impact statement is not required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.15, subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock is not considered a fuel conversion facility as used in rules adopted under this chapter.

(d) The responsible governmental unit ~~shall~~ must promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general

circulation in the geographic area where the project is proposed, by posting the notice on a website that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the board and ~~shall~~ must provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit may extend the 30-day comment period for an additional 30 days one time. Further extensions of the comment period may not be made unless approved by the project's proposer. The responsible governmental unit's decision on the need for an environmental impact statement must be based on the environmental assessment worksheet and the comments received during the comment period, and must be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(e) An environmental assessment worksheet must also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in ~~the state~~ a county where the proposed action will be undertaken or in one or more adjoining counties, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet must be submitted to the board. The chair of the board ~~shall~~ must determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet must be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

(f) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

(g) The board may, before final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(h) An early and open process must be used to limit the scope of the environmental impact statement to a discussion of those impacts that, because of the nature or location of the project, have the potential for significant environmental effects. The same process must be used to determine the form, content, and level of detail of the statement as well as the alternatives that are appropriate for consideration in the statement. In addition, the permits that will be required for the proposed action must be identified during the scoping process. Further, the process must identify those permits for which information will be developed concurrently with the environmental impact statement. The board ~~shall~~ must provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process must be incorporated into the order requiring the preparation of an environmental impact statement.

(i) The responsible governmental unit ~~shall~~ must, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project must be developed in conjunction with the preparation of an environmental impact statement. When an environmental impact statement is prepared for a project requiring multiple permits for which two or more agencies' decision processes include either mandatory or discretionary hearings before a hearing officer before the agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the contrary, conduct the hearings in a single consolidated hearing process if requested by the proposer. All agencies having jurisdiction over a permit that is included in the consolidated hearing ~~shall~~ must participate. The responsible governmental unit ~~shall~~ must establish appropriate procedures for the consolidated hearing process, including procedures to ensure that the consolidated hearing process is consistent with the applicable requirements for each permit regarding the rights and duties of parties to the hearing, and ~~shall~~ must use the earliest applicable hearing procedure to initiate the hearing. All agencies having jurisdiction over a permit identified in the draft environmental assessment worksheet scoping document must begin reviewing any permit application upon publication of the notice of preparation of the environmental impact statement.

(j) An environmental impact statement must be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit ~~shall~~ must determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit has 60 days to prepare an adequate environmental impact statement.

(k) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the

preliminary draft environmental impact statement. The responsible governmental unit ~~shall~~ must require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

(l) If an environmental or resource management permit is not issued or denied within the applicable period described in paragraph (a), the commissioner must immediately begin review of the application and must take all steps necessary to issue the final permit, deny the permit, or issue the public notice for the draft permit within 150 days of the expiration of the applicable period described in paragraph (a). The commissioner may extend the period for up to 60 days by issuing a written notice to the applicant stating the length of and reason for the extension. Except as prohibited by federal law, after the applicable period expires, any person may seek an order of the district court requiring the commissioner to immediately take action on the permit application. A time limit under this paragraph may be extended through written agreement between the commissioner and the applicant.

Sec. 5. Minnesota Statutes 2022, section 116J.035, is amended by adding a subdivision to read:

Subd. 9. **Ombudsman for business permitting.** (a) The commissioner of employment and economic development must appoint an ombudsman for business permitting to assist businesses of all sizes with obtaining permits necessary to operate in the state. The ombudsman's duties include but are not limited to:

(1) conducting independent evaluations of all aspects of permitting processes that affect businesses in the state;

(2) monitoring, reviewing, and providing comments and recommendations to federal, state, and local authorities on laws and regulations that impact businesses in the state;

(3) facilitating and promoting participation of businesses in developing laws and regulations that affect businesses;

(4) providing reports to federal, state, and local authorities and the public on the requirements of permitting laws and the laws' impact on businesses;

(5) disseminating information about proposed regulations and other information to businesses and other interested parties;

(6) participating in and sponsoring meetings and conferences about business permitting with state and local regulatory officials, industry groups, and business representatives;

(7) investigating and assisting in resolving complaints and disputes from businesses against state or local authorities;

(8) operating a toll-free telephone line to provide free confidential help on permitting-related problems and grievances;

(9) establishing cooperative programs with trade associations and small businesses to promote and achieve voluntary compliance with applicable laws and regulations;

(10) establishing cooperative programs with federal, state, and local governmental entities and the private sector to assist businesses in securing sources of funding to comply with federal, state, and local permitting laws and regulations;

(11) conducting studies to evaluate the impacts of federal and state permitting laws and regulations on the state's economy, local economies, and businesses; and

(12) coordinating with Minnesota Business First Stop, the ombudsman for small business air-quality compliance assistance, and other relevant state officials.

(b) In carrying out the duties imposed by this subdivision, the ombudsman may act independently of any agency in providing testimony to the legislature, contacting and making periodic reports to federal and state officials as necessary to carry out the duties imposed by this subdivision, and addressing problems or concerns related to business permitting.

(c) The ombudsman must be knowledgeable about federal and state business permitting laws and regulations and federal and state legislative and regulatory processes. The ombudsman must be experienced in dealing with both private enterprise and governmental entities, arbitration and negotiation, interpretation of laws and regulations, investigation, record keeping, report writing, public speaking, and management.

(d) The commissioner of employment and economic development must provide the ombudsman with the necessary office space, supplies, equipment, and clerical support to effectively perform the duties imposed by this subdivision.

Sec. 6. SCOPING ENVIRONMENTAL ASSESSMENT WORKSHEET NOT REQUIRED FOR PROJECTS THAT REQUIRE A MANDATORY ENVIRONMENTAL IMPACT STATEMENT.

(a) The Environmental Quality Board must amend Minnesota Rules, part 4410.2100, as follows:

(1) to provide that neither an environmental assessment worksheet nor any other scoping document needs to be prepared for a project that falls within a mandatory environmental impact statement category under Minnesota Rules, part 4410.4400, or other applicable law; and

(2) to provide that a scoping process undertaken under Minnesota Rules, part 4410.2100, must be completed no later than 280 days after the process begins.

(b) The board may use the good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Pratt moved to amend the Pratt amendment to S.F. No. 4784 as follows:

Page 8, delete section 5

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the Pratt amendment to the Pratt amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic, Hawj, McEwen, Pha, and Port.

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the adoption of the first Pratt amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

Boldon	Fateh	Klein	Maye Quade	Oumou Verbeten
Carlson	Frentz	Kunesh	McEwen	Pappas
Champion	Gustafson	Kupec	Mitchell	Pha
Cwodzinski	Hauschild	Latz	Mohamed	Port
Dibble	Hawj	Mann	Morrison	Putnam
Dziedzic	Hoffman	Marty	Murphy	Rest

Seeberger

Westlin

Wiklund

Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic, Hawj, McEwen, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 4784 was read the third time, as amended, and placed on its final passage.

CALL OF THE SENATE

Senator Rasmusson imposed a call of the Senate for the balance of the proceedings on S.F. No. 4784. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the passage of S.F. No. 4784, as amended.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kunesh	Mitchell	Port
Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Hawj, McEwen, Pha, and Port.

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 Duckworth cast the negative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Housley, and Jasinski.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3925: A bill for an act relating to real property; providing for property insurance for grantee beneficiaries of transfer on death deeds; making technical, clarifying, and conforming changes to transfer on death deeds; amending Minnesota Statutes 2022, section 507.071; proposing coding for new law in Minnesota Statutes, chapter 507.

H.F. No. 3925 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fateh	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	

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Hawj, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Housley, and Jasinski.

So the bill passed and its title was agreed to.

RECESS

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

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

APPOINTMENTS

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

S.F. No. 4097: Senators Klein, Seeberger, Frentz, Dahms, and Rasmusson.

S.F. No. 4399: Senators Hoffman, Mann, and Utke.

H.F. No. 4024: Senators Fateh, Putnam, and Duckworth.

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

MEMBERS EXCUSED

Senator Mathews was excused from the Session of today from 11:00 to 11:25 a.m. Senator Miller was excused from the Session of today from 11:00 a.m. to 12:15 p.m. Senator Fateh was excused from the Session of today from 11:00 a.m. to 12:30 p.m.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 24, 2024. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

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