

FOURTEENTH DAY

St. Paul, Minnesota, Monday, February 15, 2021

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

The members of the Senate paused for a moment of silent prayer and reflection.

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	Draheim	Howe	Marty	Rest
Anderson	Duckworth	Ingebrigtsen	Mathews	Rosen
Bakk	Dziedzic	Isaacson	McEwen	Ruud
Benson	Eaton	Jasinski	Miller	Senjem
Bigham	Eichorn	Johnson	Murphy	Tomassoni
Carlson	Eken	Johnson Stewart	Nelson	Torres Ray
Chamberlain	Fateh	Kent	Newman	Utke
Champion	Franzen	Kiffmeyer	Newton	Weber
Clausen	Frentz	Klein	Osmek	Westrom
Coleman	Gazelka	Koran	Pappas	Wiger
Cwodzinski	Goggin	Kunesh	Port	Wiklund
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

The President declared a quorum present.

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Carlson, Champion, Clausen, Coleman, Eaton, Isaacson, Klein (Arizona), Latz, Marty, McEwen, Nelson, Newton, Pappas, Senjem, and Wiklund.

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

REPORTS OF COMMITTEES

Senator Gazelka moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 587: A bill for an act relating to state government; requiring equitable geographic distribution of state employee layoffs; amending Minnesota Statutes 2020, section 43A.046.

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

Delete everything after the enacting clause and insert:

"Section 1. [15.4442] GEOGRAPHIC DISTRIBUTION OF STATE EMPLOYEE LAYOFFS.

Notwithstanding any law to the contrary, if layoffs of employees of executive branch state agencies are necessary due to an anticipated budget deficit, each executive branch state agency must make personnel reductions so that economies of the state outside of the metropolitan area, as defined in section 473.121, subdivision 2, are not disproportionately affected by the layoffs. "Executive branch state agency" has the meaning given in section 16A.011, subdivision 12a.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to collective bargaining agreements entered into on or after that date."

Amend the title numbers accordingly

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

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 299: A bill for an act relating to state government; limiting growth of state employment.

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

Page 1, line 9, after the period, insert ""Executive branch state agencies" as used in this section has the meaning given for the same term in Minnesota Statutes, section 16A.011, subdivision 12a, and does not include Minnesota State Colleges and Universities."

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

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 213: A bill for an act relating to state government; prohibiting imposition of additional penalties to a business for violation of certain executive orders.

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

Delete everything after the enacting clause and insert:

"Section 1. **VIOLATION OF EXECUTIVE ORDERS DURING A PEACETIME EMERGENCY.**

Notwithstanding any other law to the contrary, no board or agency, including agencies that issue licenses, may impose additional penalties on a business for a violation of an executive order issued in response to the spread of COVID-19, pursuant to Minnesota Statutes, section 12.21 or 12.31, beyond the penalties imposed by the executive orders.

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

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

Senator Utke from the Committee on Human Services Licensing Policy, to which was referred

S.F. No. 254: A bill for an act relating to human services; establishing alternative licensing inspections for licensed substance use disorder treatment providers; proposing coding for new law in Minnesota Statutes, chapter 245G.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Human Services Reform Finance and Policy. Report adopted.

Senator Utke from the Committee on Human Services Licensing Policy, to which was referred

S.F. No. 496: A bill for an act relating to human services; extending the waiver modifying background study requirements for human services programs pursuant to governor's executive orders related to the COVID-19 pandemic; amending Laws 2020, First Special Session chapter 7, section 1, as amended.

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

Page 1, before line 7, insert:

"Section 1. Minnesota Statutes 2020, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints and photograph.** (a) Notwithstanding paragraph (b), for background studies conducted by the commissioner for child foster care, children's residential facilities, adoptions, or a transfer of permanent legal and physical custody of a child, the subject of the background study, who is 18 years of age or older, shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check. For purposes of this subdivision, "authorized agency for a national criminal history record check" includes any entity, vendor, or local law enforcement agency that can supply an individual with a set of the individual's classifiable fingerprints that is compliant with NETStudy 2.0.

(b) For background studies initiated on or after the implementation of NETStudy 2.0, except as provided under subdivision 5a, every subject of a background study must provide the commissioner with a set of the background study subject's classifiable fingerprints and photograph. The photograph and fingerprints must be recorded at the same time by the commissioner's authorized fingerprint

collection vendor and sent to the commissioner through the commissioner's secure data system described in section 245C.32, subdivision 1a, paragraph (b). The subject of the background study may supply the commissioner's authorized fingerprint collection vendor with a set of the subject's classifiable fingerprints and photograph that were obtained from an authorized agency for a national criminal history record check as defined in paragraph (a).

(c) The fingerprints shall be submitted by the commissioner to the Bureau of Criminal Apprehension and, when specifically required by law, submitted to the Federal Bureau of Investigation for a national criminal history record check.

(d) The fingerprints must not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will not retain background study subjects' fingerprints.

(e) The commissioner's authorized fingerprint collection vendor shall, for purposes of verifying the identity of the background study subject, be able to view the identifying information entered into NETStudy 2.0 by the entity that initiated the background study, but shall not retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The authorized fingerprint collection vendor shall retain no more than the name and date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities.

(f) For any background study conducted under this chapter, the subject shall provide the commissioner with a set of classifiable fingerprints when the commissioner has reasonable cause to require a national criminal history record check as defined in section 245C.02, subdivision 15a."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "permitting background study subjects to obtain fingerprints from additional entities and agencies;"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Civil Law and Data Practices Policy. Amendments adopted. Report adopted.

Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred

S.F. No. 12: A bill for an act relating to natural resources; directing commissioner of natural resources to reduce walleye limit.

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

Delete everything after the enacting clause and insert:

"Section 1. **RULEMAKING; WALLEYE AND SAUGER POSSESSION LIMIT.**

(a) By March 1, 2022, the commissioner of natural resources must amend Minnesota Rules, part 6262.0200, subpart 1, item F, to provide that the daily and possession limit for walleye and sauger in all inland waters is six in aggregate and no more than four may be walleye.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388."

And when so amended the bill do pass and be re-referred to the Committee on State Government Finance and Policy and Elections. Amendments adopted. Report adopted.

Senator Ruud from the Committee on Environment and Natural Resources Policy and Legacy Finance, to which was referred

S.F. No. 483: A bill for an act relating to game and fish; modifying provisions on farmed Cervidae; modifying muzzleloader provisions; permanently allowing portable stands in certain wildlife management areas; modifying Cervidae carcass transportation restrictions; amending Minnesota Statutes 2020, sections 35.155, subdivisions 1, 6; 97A.015, subdivision 51; 97A.137, subdivision 5; 97A.505, subdivision 8; 97B.031, subdivision 1.

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

Page 1, delete section 1

Page 2, delete section 2

Page 4, after line 22, insert:

"Sec. 5. Minnesota Statutes 2020, section 97B.031, is amended by adding a subdivision to read:

Subd. 7. **Regular firearms deer season.** During the regular firearms deer season, all legal firearms may be used statewide.

Sec. 6. **REPEALER.**

Minnesota Statutes 2020, section 97B.318, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "modifying provisions on farmed Cervidae;"

Page 1, line 4, after "restrictions" insert "; eliminating the shotgun only zone for deer"

Amend the title numbers accordingly

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

Senator Chamberlain from the Committee on Education Finance and Policy, to which was referred

S.F. No. 438: A bill for an act relating to education; suspending academic standards review cycle; requiring a report.

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

Delete everything after the enacting clause and insert:

"Section 1. ACADEMIC STANDARDS REVIEW SUSPENSION.

Notwithstanding Minnesota Statutes, section 120B.021, and except as provided under subdivision 2, the commissioner of education must suspend any ongoing review or revision of academic standards, or implementation of revised academic standards under Minnesota Statutes, section 120B.021, until June 1, 2023.

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

Amend the title as follows:

Page 1, line 2, delete "; requiring a"

Page 1, line 3, delete "report"

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

Senator Chamberlain from the Committee on Education Finance and Policy, to which was re-referred

S.F. No. 2: A bill for an act relating to state government; modifying peacetime emergency authority; eliminating the authority for the governor to use peacetime emergency authority to impose restrictions on schools; amending Minnesota Statutes 2020, section 12.21, subdivision 3.

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

Senator Newman from the Committee on Transportation Finance and Policy, to which was referred

S.F. No. 742: A bill for an act relating to public safety; authorizing release of crash reports to prosecuting attorneys; amending Minnesota Statutes 2020, section 169.09, subdivision 13.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Civil Law and Data Practices Policy. Report adopted.

Senator Mathews from the Committee on Civil Law and Data Practices Policy, to which was referred

S.F. No. 440: A bill for an act relating to real property; clarifying ownership definitions; requiring the record owner to be listed as grantee in tax-forfeited land sales; amending Minnesota Statutes 2020, sections 282.301; 325N.01; 325N.02; 325N.03; 325N.04; 325N.06; 325N.10, subdivisions 2, 3, 4, 5, 7; proposing coding for new law in Minnesota Statutes, chapter 282.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 282.301, is amended to read:

282.301 RECEIPTS FOR PAYMENTS; CERTIFICATION BY COUNTY AUDITOR.

When any sale has been made under sections 282.012 and 282.241 to 282.324, the purchaser shall receive from the county auditor at the time of repurchase a receipt, in such form as may be prescribed by the attorney general. When the purchase price of a parcel of land shall be paid in full, the following facts shall be certified by the county auditor to the commissioner of revenue of the state of Minnesota: the description of land, ~~the date of sale, the name of the purchaser or the purchaser's assignee,~~ and the date when the final installment of the purchase price was paid. ~~Upon payment in full of the purchase price, the purchaser or the assignee shall receive a quitclaim deed from the state, to be executed by the commissioner of revenue. The deed must be sent to the county auditor who shall have it recorded before it is forwarded to the purchaser. Failure to make any payment herein required shall constitute default and upon such default and cancellation in accord with section 282.40, the right, title and interest of the purchaser or the purchaser's heirs, representatives, or assigns in such parcel shall terminate.~~

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to repurchases approved on or after that date.

Sec. 2. **[282.302] CONVEYANCE OF DEED UPON CERTIFICATION.**

Subdivision 1. **Conveyance to record owner.** Except as provided in subdivision 2, upon receipt of the certification by the county auditor required under section 282.301, the commissioner of revenue must issue a quitclaim deed in the name of the state, as grantor, to the record owner of the property at the time of the expiration of the redemption period established under section 281.23.

Subd. 2. **Sales to personal representatives, heirs, or devisees.** Notwithstanding subdivision 1, the state deed must name the record owner's estate as grantee if a sale conducted under section 282.01 is made to a personal representative, heir, or devisee of the record owner, and the record owner is either deceased at the time of the expiration of redemption period established under section 281.23 or is deceased at the time the certification of payment under section 282.301 is made. If the record owner's estate has not been opened in a probate court of this state at the time of execution of the state deed, the state deed to the record owner's estate is deemed an effective conveyance to the estate upon opening of the estate.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to repurchases approved on or after that date.

Sec. 3. **[282.303] ASSIGNMENT OF INSTALLMENT CONTRACT.**

If the record owner at the time of the expiration of redemption assigns an installment contract used to repurchase, and the assignment was registered or recorded, the state deed must name the assignee as the grantee.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to repurchases approved on or after that date.

Sec. 4. **[282.304] RECORDATION OF DEED; DEFAULT.**

(a) The quitclaim deed issued under section 282.302 must be electronically recorded or sent to the county auditor who must have it recorded before it is forwarded to the grantee. Recording of the deed by the county auditor is deemed delivery to the grantee.

(b) Failure to make any payment required by this chapter will constitute default and upon such default, the sale will be subject to the cancellation provisions of section 282.40.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to repurchases approved on or after that date.

Sec. 5. Minnesota Statutes 2020, section 325N.01, is amended to read:

325N.01 DEFINITIONS.

The definitions in paragraphs (a) to (h) apply to sections 325N.01 to 325N.09.

(a) ~~"Foreclosure consultant"~~ "Solicitor" means any person who, directly or indirectly, makes any solicitation, representation, or offer to any owner to perform for compensation or who, for compensation, performs any service which the person in any manner represents will in any manner do any of the following:

(1) stop or postpone ~~the~~ a foreclosure sale, a tax forfeiture sale, or a contract for deed termination;

(2) obtain any forbearance from any beneficiary, local unit of government, association of apartment owners, contract for deed seller, or mortgagee regarding;

(i) taxes;

(ii) dues owed to an association of apartment owners; or

(iii) contract for deed, mortgage, or any other payments;

(3) assist the owner to:

(i) exercise the right of reinstatement provided in section 580.30 or the right of redemption provided in section 580.25;

(ii) exercise the right of redemption under chapter 281 or the right to repurchase under sections 282.241 to 282.324;

(iii) cure a default that has resulted in a termination notice issued under section 559.21, subdivision 2a; or

(iv) cure a default that resulted in a lien secured by a common interest community or a master association;

(4) obtain any extension of the period within which the owner may reinstate the owner's obligation;

(5) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in foreclosure or contained in the mortgage;

(6) assist the owner in foreclosure, tax forfeiture, or ~~loan~~ default on a loan, contract for deed payments, or dues owed to an association of apartment owners, to obtain a loan or advance of funds;

(7) avoid or ameliorate the impairment of the owner's credit resulting from the recording of a notice of default on taxes or any debt secured by the covered residence or the conduct of a foreclosure or tax forfeiture sale;

(8) save the owner's residence from foreclosure, tax forfeiture, or contract for deed termination;
or

(9) negotiate or modify the terms or conditions of an existing residential mortgage loan, a repayment agreement on taxes owed, a repurchase agreement of tax-forfeited real property, or a contract for deed.

(b) A ~~foreclosure consultant~~ solicitor does not include any of the following:

(1) a person licensed to practice law in this state when the person renders service in the course of the person's practice as an attorney-at-law;

(2) a person licensed as a debt management services provider under chapter 332A, when the person is acting as a debt management services provider as defined in that chapter;

(3) a person licensed as a real estate broker or salesperson under chapter 82 when the person engages in acts whose performance requires licensure under that chapter unless the person is engaged in offering services designed to, or purportedly designed to, enable the owner to retain possession of the covered residence ~~in foreclosure~~;

(4) a person licensed as an accountant under chapter 326A when the person is acting in any capacity for which the person is licensed under those provisions;

(5) a person or the person's authorized agent acting under the express authority or written approval of the Department of Housing and Urban Development or other department or agency of the United States or this state to provide services;

(6) a person who holds or is owed an obligation secured by a lien on any covered residence ~~in foreclosure~~ when the person performs services in connection with this obligation or lien if the obligation or lien did not arise as the result of or as part of a proposed ~~foreclosure~~ property reconveyance;

(7) any person or entity doing business under any law of this state, or of the United States relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee which is a United States Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of these persons or entities, and any agent or employee of these persons or entities while engaged in the business of these persons or entities;

(8) a person licensed as a residential mortgage originator or servicer pursuant to chapter 58, when acting under the authority of that license, except that the provisions of sections 325N.01 to 325N.06, 325N.08, and 325N.09 shall apply to any person operating under a mortgage originator license who negotiates or offers to negotiate the terms or conditions of an existing residential mortgage loan;

(9) a nonprofit agency or organization that has tax-exempt status under section 501(c)(3) of the Internal Revenue Code that offers counseling or advice to an owner of a home in foreclosure or loan default if they do not contract for services with for-profit lenders or ~~foreclosure~~ equity purchasers, except that they shall comply with the provisions of section 325N.04, clause (1);

(10) a judgment creditor of the owner, to the extent that the judgment creditor's claim accrued prior to the personal service of the foreclosure notice required by section 580.03, but excluding a person who purchased the claim after such personal service; ~~and~~

(11) ~~a foreclosure~~ an equity purchaser as defined in section 325N.10; and

(12) any common interest community association or master association that holds or is owed an obligation secured by a lien on any residence in foreclosure and any employee or agent of either while performing services within the scope of the employment or agency.

(c) "~~Foreclosure~~ "Property reconveyance" means a transaction involving:

(1) the transfer of title to real property by ~~a foreclosed homeowner during a foreclosure proceeding, either by transfer of interest from the foreclosed homeowner or by creation of a mortgage or other lien or encumbrance during the foreclosure process~~ an owner, either by transfer of interest from the owner or by creation of a mortgage or other lien or encumbrance that allows the acquirer to obtain title to the property by redeeming the property as a junior lienholder or by other legal process, prior to the expiration of:

(i) the right of reinstatement provided in section 580.30 or the right of redemption of a property provided in section 580.25;

(ii) the right of redemption under chapter 281 or the right to repurchase under sections 282.241 to 282.324;

(iii) the period to cure a default that has resulted in a termination notice issued under section 559.21, subdivision 2a; or

(iv) the period to cure a default that resulted in a lien assessed by a common interest community or a master association; and

(2) the subsequent conveyance, or promise of a subsequent conveyance, of an interest back to the ~~foreclosed homeowner~~ owner by the acquirer or a person acting in participation with the acquirer that allows the ~~foreclosed homeowner~~ owner to possess either the covered residence in foreclosure or any other real property, which interest includes, but is not limited to, an interest in a contract for deed, purchase agreement, option to purchase, or lease.

(d) "Person" means any individual, partnership, corporation, limited liability company, association, or other group, however organized.

(e) "Service" means and includes, but is not limited to, any of the following:

(1) debt, budget, or financial counseling of any type;

(2) receiving money for the purpose of distributing it to creditors, vendors, or association of apartment owners in payment or partial payment of any obligation secured by ~~a lien on a covered residence in foreclosure~~;

(3) contacting creditors, vendors, association of apartment owners, or servicers to negotiate or offer to negotiate the terms or conditions of an existing residential mortgage loan, a tax forfeiture redemption or repurchase agreement, or a contract for deed;

(4) arranging or attempting to arrange for an extension of the period within which the owner of a covered residence in foreclosure may:

(i) cure the owner's default and reinstate the owner's obligation pursuant to section 580.30;

(ii) cure the owner's property tax default and redeem the property;

(iii) cure the owner's default on dues owed to an association of apartment owners and release the common interest community or master association's lien; or

(iv) cure the default on a contract for deed and void the purchaser's ability to terminate the contract;

(5) arranging or attempting to arrange for any delay or postponement of the time of sale of the covered residence in foreclosure;

(6) advising the filing of any document or assisting in any manner in the preparation of any document for filing with any bankruptcy court; or

(7) giving any advice, explanation, or instruction to an owner of a covered residence in foreclosure, which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a lien on the covered residence in foreclosure, the full satisfaction of that

obligation, or the postponement or avoidance of a sale of a covered residence ~~in foreclosure~~, pursuant to a power of sale contained in any mortgage.

(f) ~~"Residence in foreclosure"~~ "Covered residence" means residential real property ~~consisting of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residence, or real property that is principally used for farming, as defined in section 500.24, subdivision 2, whether or not parcels are contiguous, so long as the owner occupies one of the parcels as the owner's principal place of residence, where there is a delinquency or default on any loan payment or debt secured by or attached to the residential real property including, but not limited to, contract for deed payments~~ where there is a delinquency or default on any loan, tax, or contract for deed payment, association of apartment owner or master association dues, or other debt secured by or attached to the residential real property that:

(i) consists of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residence;

(ii) is an apartment, as that term is defined in section 515.02, subdivision 2;

(iii) is the subject of a contract for deed; or

(iv) is real property that is principally used for farming, as defined in section 500.24, subdivision 2, whether or not parcels are contiguous, so long as the owner occupies one of the parcels as the owner's principal place of residence.

(g) "Owner" means the record owner of ~~the residential real property in foreclosure~~ a covered residence. For the purposes of this chapter, if the residence in foreclosure is subject to a mortgage foreclosure, an owner is the record owner at the time the notice of pendency was recorded, or the summons and complaint served.

(h) "Contract" means any agreement, or any term in any agreement, between a ~~foreclosure consultant~~ solicitor and an owner for the rendition of any service as defined in paragraph (e).

(i) "Association of apartment owners" has the meaning given in section 515.02, subdivision 5.

(j) "Common interest community" has the meaning given in section 515B.1-103, clause (10).

(k) "Master association" has the meaning given in section 515B.1-103, clause (21).

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 6. Minnesota Statutes 2020, section 325N.02, is amended to read:

325N.02 RESCISSION OF FORECLOSURE CONSULTANT SOLICITOR CONTRACT.

(a) In addition to any other right under law to rescind a contract, an owner has the right to cancel ~~such a~~ solicitor contract until midnight of the third business day after the day on which the owner signs a contract which complies with section 325N.03.

(b) Cancellation occurs when the owner gives written notice of cancellation to the ~~foreclosure consultant~~ solicitor at the address specified in the contract.

(c) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(d) Notice of cancellation given by the owner need not take the particular form as provided with the contract and, however expressed, is effective if it indicates the intention of the owner not to be bound by the contract.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to contracts executed on or after that date.

Sec. 7. Minnesota Statutes 2020, section 325N.03, is amended to read:

325N.03 CONTRACT.

(a) Every contract must be in writing and must fully disclose the exact nature of the ~~foreclosure consultant's~~ solicitor's services and the total amount and terms of compensation.

(b) The following notice, printed in at least 14-point boldface type and completed with the name of the ~~foreclosure consultant~~ solicitor, must be printed immediately above the statement required by paragraph (c):

"NOTICE REQUIRED BY MINNESOTA LAW
..... (Name) or anyone working for him or her
CANNOT:
(1) Take any money from you or ask you for money until
..... (Name) has completely finished doing
everything he or she said he or she would do; and
(2) Ask you to sign or have you sign any lien, mortgage, or
deed."

(c) The contract must be written in the same language as principally used by the ~~foreclosure consultant~~ solicitor to describe his or her services or to negotiate the contract, must be dated and signed by the owner, and must contain in immediate proximity to the space reserved for the owner's signature a conspicuous statement in a size equal to at least 10-point boldface type, as follows:

"You, the owner, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(d) The notice of cancellation must contain, and the contract must contain on the first page, in a type size no smaller than that generally used in the body of the document, each of the following:

(1) the name and physical address of the ~~foreclosure consultant~~ solicitor to which the notice of cancellation is to be mailed or otherwise delivered. A post office box does not constitute a physical address. A post office box may be designated for delivery by mail only if it is accompanied by a physical address at which the notice could be delivered by a method other than mail. An e-mail address may be included, in addition to the physical address; and

(2) the date the owner signed the contract.

(e) Cancellation occurs when the ~~foreclosed homeowner~~ owner delivers, by any means, written notice of cancellation to the address specified in the contract. If cancellation is mailed, delivery is effective upon mailing. If e-mailed, cancellation is effective upon transmission. The contract must be accompanied by a completed form in duplicate, captioned "notice of cancellation," which must be attached to the contract, must be easily detachable, and must contain in at least 10-point type the following statement written in the same language as used in the contract:

"NOTICE OF CANCELLATION

.....

(Enter date of transaction) (Date)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

To cancel this transaction, you may use any of the following methods: (1) mail or otherwise deliver a signed and dated copy of this cancellation notice, or any other written notice of cancellation; or (2) e-mail a notice of cancellation

to

(Name of ~~foreclosure consultant~~ solicitor)

at

(Physical address of ~~foreclosure consultant's~~ solicitor's place of business)

.....

(E-mail address of ~~foreclosure consultant's~~ solicitor's place of business)

NOT LATER THAN MIDNIGHT OF

(Date)

I hereby cancel this transaction

(Date)

.....

(Owner's signature)"

(f) The ~~foreclosure consultant~~ solicitor shall provide the owner with a copy of the contract and the attached notice of cancellation immediately upon execution of the contract.

(g) The three business days during which the owner may cancel the contract shall not begin to run until the ~~foreclosure consultant~~ solicitor has complied with this section.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to contracts executed on or after that date.

Sec. 8. Minnesota Statutes 2020, section 325N.04, is amended to read:

325N.04 VIOLATIONS.

It is a violation for a ~~foreclosure consultant~~ solicitor to:

(1) claim, demand, charge, collect, or receive any compensation until after the ~~foreclosure consultant~~ solicitor has fully performed each and every service the ~~foreclosure consultant~~ solicitor contracted to perform or represented he or she would perform;

(2) claim, demand, charge, collect, or receive any fee, interest, or any other compensation for any reason which exceeds eight percent per annum of the amount of any loan which the ~~foreclosure consultant~~ solicitor may make to the owner. Such a loan must not, as provided in clause (3), be secured by the covered residence ~~in foreclosure~~ or any other real or personal property;

(3) take any wage assignment, any lien of any type on real or personal property, or other security to secure the payment of compensation. Any such security is void and unenforceable;

(4) receive any consideration from any third party in connection with services rendered to an owner unless the consideration is first fully disclosed to the owner;

(5) acquire any interest, directly or indirectly, or by means of a subsidiary or affiliate in a covered residence ~~in foreclosure~~ from an owner with whom the ~~foreclosure consultant~~ solicitor has contracted;

(6) take any power of attorney from an owner for any purpose, except to inspect documents as provided by law; or

(7) induce or attempt to induce any owner to enter a contract which does not comply in all respects with sections 325N.02 and 325N.03.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 9. Minnesota Statutes 2020, section 325N.05, is amended to read:

325N.05 WAIVER NOT ALLOWED.

Any waiver by an owner of the provisions of sections 325N.01 to 325N.09 is void and unenforceable as contrary to public policy. Any attempt by a ~~foreclosure consultant~~ solicitor to induce an owner to waive the owner's rights is a violation of sections 325N.01 to 325N.09.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 10. Minnesota Statutes 2020, section 325N.06, is amended to read:

325N.06 REMEDIES.

(a) A violation of sections 325N.01 to 325N.09 is considered to be a violation of section 325F.69, and all remedies of section 8.31 are available for such an action. A private cause of action under section 8.31 by a ~~foreclosed homeowner~~ owner is in the public interest. An owner may bring an action against a ~~foreclosure consultant~~ solicitor for any violation of sections 325N.01 to 325N.09. Judgment must be entered for actual damages, reasonable attorney fees and costs, and appropriate equitable relief.

(b) The rights and remedies provided in paragraph (a) are cumulative to, and not a limitation of, any other rights and remedies provided by law. Any action brought pursuant to this section must be commenced within ~~four~~ six years from the date of the alleged violation.

(c) The court may award exemplary damages up to 1-1/2 times the compensation charged by the ~~foreclosure consultant~~ solicitor if the court finds that the ~~foreclosure consultant~~ solicitor violated the provisions of section 325N.04, clause (1), (2), or (4), and the ~~foreclosure consultant's~~ solicitor's conduct was in bad faith.

(d) Notwithstanding any other provision of this section, no action may be brought on the basis of a violation of sections 325N.01 to 325N.09, except by an owner against whom the violation was committed or by the attorney general. This limitation does not apply to administrative action by the commissioner of commerce.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 11. Minnesota Statutes 2020, section 325N.10, subdivision 2, is amended to read:

Subd. 2. ~~**Foreclosed homeowner**~~ **Owner.** "Foreclosed homeowner" means an owner of residential real property, including a condominium, or an owner of real property that is principally used for farming as defined in section 500.24, subdivision 2, that is the primary residence of the owner and whose mortgage on the real property is or was in foreclosure "Owner" has the meaning given in section 325N.01, paragraph (g).

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 12. Minnesota Statutes 2020, section 325N.10, subdivision 3, is amended to read:

Subd. 3. ~~**Foreclosure**~~ **Property reconveyance.** "Foreclosure "Property reconveyance" ~~means a transaction involving:~~

(1) ~~the transfer of title to real property by a foreclosed homeowner during a foreclosure proceeding, either by transfer of interest from the foreclosed homeowner or by creation of a mortgage or other lien or encumbrance during the foreclosure process that allows the acquirer to obtain title to the property by redeeming the property as a junior lienholder; and~~

(2) ~~the subsequent conveyance, or promise of a subsequent conveyance, of an interest back to the foreclosed homeowner by the acquirer or a person acting in participation with the acquirer that allows the foreclosed homeowner to possess either the residence in foreclosure or other real property, which interest includes, but is not limited to, an interest in a contract for deed, purchase agreement, option to purchase, or lease~~ has the meaning given in section 325N.01, paragraph (c).

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 13. Minnesota Statutes 2020, section 325N.10, subdivision 4, is amended to read:

Subd. 4. ~~**Foreclosure**~~ **Equity purchaser.** "Foreclosure "Equity purchaser" means a person that has acted as the acquirer in a ~~foreclosure~~ property reconveyance. ~~Foreclosure~~ Equity purchaser also includes a person that has acted in joint venture or joint enterprise with one or more acquirers in a ~~foreclosure~~ property reconveyance. ~~A foreclosure~~ An equity purchaser does not include: (i) a natural person who shows that the natural person is not in the business of ~~foreclosure~~ equity purchasing and has a prior personal relationship with the ~~foreclosed~~ homeowner of the covered residence, unless

a showing of fraud under section 325F.69, subdivision 1, has been made, or (ii) a federal or state chartered bank, savings bank, thrift, or credit union.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 14. Minnesota Statutes 2020, section 325N.10, subdivision 5, is amended to read:

Subd. 5. **Resale.** "Resale" means a bona fide market sale of the property subject to the ~~foreclosure~~ property reconveyance by the foreclosure equity purchaser to an unaffiliated third party.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 15. Minnesota Statutes 2020, section 325N.10, subdivision 7, is amended to read:

Subd. 7. **Covered residence in foreclosure.** ~~"Residence in foreclosure" means residential real property consisting of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residence, or real property that is principally used for farming, as defined in section 500.24, subdivision 2, whether or not parcels are contiguous, so long as the owner occupies one of the parcels as the owner's principal place of residence, where there is a delinquency or default on any loan payment or debt secured by or attached to the real property, including, but not limited to, contract for deed payments~~ "Covered residence" has the meaning given in section 325N.01, paragraph (f).

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 16. Minnesota Statutes 2020, section 325N.11, is amended to read:

325N.11 CONTRACT REQUIREMENT; FORM AND LANGUAGE.

A ~~foreclosure equity purchaser~~ shall enter into every ~~foreclosure property reconveyance~~ in the form of a written contract. Every contract must be written in letters of a size equal to at least 12-point boldface type, in the same language principally used by the ~~foreclosure equity purchaser and foreclosed homeowner~~ owner to negotiate the sale of the covered residence in foreclosure and must be fully completed and signed and dated by the ~~foreclosed homeowner~~ owner and ~~foreclosure equity purchaser~~ before the execution of any instrument of conveyance of the covered residence in foreclosure.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to contracts executed on or after that date.

Sec. 17. Minnesota Statutes 2020, section 325N.12, is amended to read:

325N.12 CONTRACT TERMS.

Every contract required by section 325N.11 must contain the entire agreement of the parties and must include the following terms:

- (1) the name, business address, and the telephone number of the ~~foreclosure equity purchaser~~;
- (2) the address of the covered residence in foreclosure;

(3) the total consideration to be given by the ~~foreclosure~~ equity purchaser in connection with or incident to the sale;

(4) a complete description of the terms of payment or other consideration including, but not limited to, any services of any nature that the ~~foreclosure~~ equity purchaser represents he or she will perform for the ~~foreclosed homeowner~~ owner before or after the sale;

(5) the time at which possession is to be transferred to the ~~foreclosure~~ equity purchaser;

(6) a complete description of the terms of any related agreement designed to allow the ~~foreclosed homeowner~~ owner to remain in the home, such as a rental agreement, repurchase agreement, contract for deed, or lease with option to buy;

(7) a notice of cancellation as provided in section 325N.14, paragraph (b); and

(8) the following notice in at least 14-point boldface type, if the contract is printed or in capital letters if the contract is typed, and completed with the name of the ~~foreclosure~~ equity purchaser, immediately above the statement required by section 325N.14, paragraph (a):

"NOTICE REQUIRED BY MINNESOTA LAW

Until your right to cancel this contract has ended, (Name) or anyone working for (Name) CANNOT ask you to sign or have you sign any deed or any other document."

The contract required by this section survives delivery of any instrument of conveyance of the covered residence in foreclosure, and has no effect on persons other than the parties to the contract.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to contracts executed on or after that date.

Sec. 18. Minnesota Statutes 2020, section 325N.13, is amended to read:

325N.13 CONTRACT CANCELLATION.

(a) In addition to any other right of rescission, the ~~foreclosed homeowner~~ owner has the right to cancel any contract with a ~~foreclosure~~ equity purchaser until midnight of the fifth business day following the day on which the ~~foreclosed homeowner~~ owner signs a contract that complies with sections 325N.10 to 325N.15 or until 8:00 a.m. on the last day of the period during which the ~~foreclosed homeowner~~ owner has a right of redemption, whichever occurs first.

(b) Cancellation occurs when the ~~foreclosed homeowner~~ owner delivers, by any means, written notice of cancellation, provided that, at a minimum, the contract and the notice of cancellation must contain a physical address to which notice of cancellation may be mailed or otherwise delivered. A post office box does not constitute a physical address. A post office box may be designated for delivery by mail only if it is accompanied by a physical address at which the notice could be delivered by a method other than mail. An e-mail address may be provided in addition to the physical address. If cancellation is mailed, delivery is effective upon mailing. If e-mailed, cancellation is effective upon transmission.

(c) A notice of cancellation given by the ~~foreclosed homeowner~~ owner need not take the particular form as provided with the contract.

(d) Within ten days following receipt of a notice of cancellation given in accordance with this section, the ~~foreclosure equity~~ purchaser shall return without condition any original contract and any other documents signed by the ~~foreclosed homeowner~~ owner.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to contracts executed on or after that date.

Sec. 19. Minnesota Statutes 2020, section 325N.14, is amended to read:

325N.14 NOTICE OF CANCELLATION.

(a) The contract must contain in immediate proximity to the space reserved for the ~~foreclosed homeowner's~~ owner's signature a conspicuous statement in a size equal to at least 14-point boldface type, if the contract is printed, or in capital letters, if the contract is typed, as follows:

"You may cancel this contract for the sale of your house
without any penalty or obligation at any time before
.....
(Date and time of day)
See the attached notice of cancellation form for an explanation
of this right."

The ~~foreclosure equity~~ purchaser shall accurately enter the date and time of day on which the cancellation right ends.

(b) The contract must be accompanied by a completed form in duplicate, captioned "notice of cancellation" in a size equal to a 12-point boldface type if the contract is printed, or in capital letters, if the contract is typed, followed by a space in which the ~~foreclosure equity~~ purchaser shall enter the date on which the ~~foreclosed homeowner~~ owner executes the contract. This form must be attached to the contract, must be easily detachable, and must contain in type of at least 10 points, if the contract is printed or in capital letters if the contract is typed, the following statement written in the same language as used in the contract:

"NOTICE OF CANCELLATION

.....
(Enter date contract signed)
You may cancel this contract for the sale of your house,
without any penalty or obligation, at any time before
.....
(Enter date and time of day)
To cancel this transaction, you may use any of the following
methods: (1) mail or otherwise deliver a signed and dated
copy of this cancellation notice; or (2) e-mail a notice of
cancellation to
.....

(Name of purchaser)
 at
 (Physical address of purchaser's place of business)

 (E-mail address of foreclosure consultant's place of business)
 NOT LATER THAN
 (Enter date and time of day)
 I hereby cancel this transaction
 (Date)

 (Seller's signature)"

(c) The ~~foreclosure~~ equity purchaser shall provide the ~~foreclosed homeowner~~ owner with a copy of the contract and the attached notice of cancellation at the time the contract is executed by all parties.

(d) The five business days during which the ~~foreclosed homeowner~~ owner may cancel the contract must not begin to run until all parties to the contract have executed the contract and the ~~foreclosure~~ equity purchaser has complied with this section.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to contracts executed on or after that date.

Sec. 20. Minnesota Statutes 2020, section 325N.15, is amended to read:

325N.15 WAIVER.

Any waiver of the provisions of sections 325N.10 to 325N.18 is void and unenforceable as contrary to public policy except a consumer may waive the five-day right to cancel provided in section 325N.13 if the property is subject to a foreclosure sale within the five business days, and the ~~foreclosed homeowner~~ owner agrees to waive his or her right to cancel in a handwritten statement signed by all parties holding title to the foreclosed property.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 21. Minnesota Statutes 2020, section 325N.17, is amended to read:

325N.17 PROHIBITED PRACTICES.

~~A foreclosure~~ An equity purchaser shall not:

(a) enter into, or attempt to enter into, a ~~foreclosure~~ property reconveyance with a ~~foreclosed homeowner~~ owner unless:

(1) the ~~foreclosure~~ equity purchaser verifies and can demonstrate that the ~~foreclosed homeowner~~ owner has a reasonable ability to pay for the subsequent conveyance of an interest back to the ~~foreclosed homeowner~~ owner. In the case of a lease with an option to purchase, payment ability also includes the reasonable ability to make the lease payments and purchase the property within

the term of the option to purchase. There is a rebuttable presumption that ~~a homeowner~~ an owner is reasonably able to pay for the subsequent conveyance if the owner's payments for primary housing expenses and regular principal and interest payments on other personal debt, on a monthly basis, do not exceed 60 percent of the owner's monthly gross income. For the purposes of this section, "primary housing expenses" means the sum of payments for regular principal, interest, rent, utilities, hazard insurance, real estate taxes, and association dues. There is a rebuttable presumption that the ~~foreclosure equity~~ purchaser has not verified reasonable payment ability if the ~~foreclosure equity~~ purchaser has not obtained documents other than a statement by the ~~foreclosed homeowner~~ owner of assets, liabilities, and income;

(2) the ~~foreclosure equity~~ purchaser and the ~~foreclosed homeowner~~ owner complete a closing for any ~~foreclosure property~~ reconveyance in which the ~~foreclosure equity~~ purchaser obtains a deed or mortgage from a ~~foreclosed homeowner~~ an owner. For purposes of this section, "closing" means an in-person meeting to complete final documents incident to the sale of the real property or creation of a mortgage on the real property conducted by a closing agent, as defined in section 82.55, who is not employed by or an affiliate of the ~~foreclosure equity~~ purchaser, or employed by such an affiliate, and who does not have a business or personal relationship with the ~~foreclosure equity~~ purchaser other than the provision of real estate settlement services;

(3) the ~~foreclosure equity~~ purchaser obtains the written consent of the ~~foreclosed homeowner~~ owner to a grant by the ~~foreclosure equity~~ purchaser of any interest in the property during such times as the ~~foreclosed homeowner~~ owner maintains any interest in the property; and

(4) the ~~foreclosure equity~~ purchaser complies with the requirements for disclosure, loan terms, and conduct in the federal Home Ownership Equity Protection Act, United States Code, title 15, section 1639, or its implementing regulation, Code of Federal Regulations, title 12, sections 226.31, 226.32, and 226.34, for any ~~foreclosure property~~ reconveyance in which the ~~foreclosed homeowner~~ owner obtains a vendee interest in a contract for deed, regardless of whether the terms of the contract for deed meet the annual percentage rate or points and fees requirements for a covered loan in Code of Federal Regulations, title 12, sections 226.32 (a) and (b);

(b) fail to either:

(1) ensure that title to the subject dwelling has been reconveyed to the ~~foreclosed homeowner~~ owner; or

(2) make a payment to the ~~foreclosed homeowner~~ owner such that the ~~foreclosed homeowner~~ owner has received consideration in an amount of at least 82 percent of the fair market value of the property within 150 days of either the eviction or voluntary relinquishment of possession of the dwelling by the ~~foreclosed homeowner~~ owner. The ~~foreclosure equity~~ purchaser shall make a detailed accounting of the basis for the payment amount, or a detailed accounting of the reasons for failure to make a payment, including providing written documentation of expenses, within this 150-day period. The accounting shall be on a form prescribed by the attorney general, in consultation with the commissioner of commerce, without being subject to the rulemaking procedures of chapter 14. For purposes of this provision, the following applies:

(i) there is a rebuttable presumption that an appraisal by a person licensed or certified by an agency of the federal government or this state to appraise real estate constitutes the fair market value of the property;

(ii) the time for determining the fair market value amount shall be determined in the ~~foreclosure~~ property reconveyance contract as either at the time of the execution of the ~~foreclosure~~ property reconveyance contract or at resale. If the contract states that the fair market value shall be determined at the time of resale, the fair market value shall be the resale price if it is sold within 120 days of the eviction or voluntary relinquishment of the property by the ~~foreclosed homeowner~~ owner. If the contract states that the fair market value shall be determined at the time of resale, and the resale is not completed within 120 days of the eviction or voluntary relinquishment of the property by the ~~foreclosed homeowner~~ owner, the fair market value shall be determined by an appraisal conducted during this 120-day period and payment, if required, shall be made to the ~~homeowner~~ owner, but the fair market value shall be recalculated as the resale price on resale and an additional payment amount, if appropriate based on the resale price, shall be made to the ~~foreclosed homeowner~~ owner within 15 days of resale, and a detailed accounting of the basis for the payment amount, or a detailed accounting of the reasons for failure to make additional payment, shall be made within 15 days of resale, including providing written documentation of expenses. The accounting shall be on a form prescribed by the attorney general, in consultation with the commissioner of commerce, without being subject to the rulemaking procedures of chapter 14;

(iii) "consideration" shall mean any payment or thing of value provided to the ~~foreclosed homeowner~~ owner, including unpaid rent or contract for deed payments owed by the ~~foreclosed homeowner~~ owner prior to the date of eviction or voluntary relinquishment of the property, reasonable costs paid to third parties necessary to complete the ~~foreclosure~~ property reconveyance transaction, payment of money to satisfy a debt or legal obligation of the ~~foreclosed homeowner~~ owner, or the reasonable cost of repairs for damage to the dwelling caused by the ~~foreclosed homeowner~~ owner; or a penalty imposed by a court for the filing of a frivolous claim under section 325N.18, subdivision 6, but

(iv) "consideration" shall not include amounts imputed as a down payment or fee to the ~~foreclosure~~ equity purchaser, or a person acting in participation with the ~~foreclosure~~ equity purchaser, incident to a contract for deed, lease, or option to purchase entered into as part of the ~~foreclosure~~ property reconveyance, except for reasonable costs paid to third parties necessary to complete the ~~foreclosure~~ property reconveyance;

(c) enter into repurchase or lease terms as part of the subsequent conveyance that are unfair or commercially unreasonable, or engage in any other unfair conduct;

(d) represent, directly or indirectly, that:

(1) the ~~foreclosure~~ equity purchaser is acting as an advisor or a consultant, or in any other manner represents that the ~~foreclosure~~ equity purchaser is acting on behalf of the ~~homeowner~~ owner;

(2) the ~~foreclosure~~ equity purchaser has certification or licensure that the ~~foreclosure~~ equity purchaser does not have, or that the ~~foreclosure~~ equity purchaser is not a member of a licensed profession if that is untrue;

(3) the ~~foreclosure equity~~ purchaser is assisting the ~~foreclosed homeowner~~ owner to "save the house" or substantially similar phrase; or

(4) the ~~foreclosure equity~~ purchaser is assisting the ~~foreclosed homeowner~~ owner in preventing a completed foreclosure or forfeiture if the result of the transaction is that the ~~foreclosed homeowner~~ owner will not complete a redemption of the property;

(e) make any other statements, directly or by implication, or engage in any other conduct that is false, deceptive, or misleading, or that has the likelihood to cause confusion or misunderstanding, including, but not limited to, statements regarding the value of the covered residence in foreclosure, the amount of proceeds the ~~foreclosed homeowner~~ owner will receive after a foreclosure sale of the covered residence, any contract term, or the ~~foreclosed homeowner's~~ owner's rights or obligations incident to or arising out of the ~~foreclosure~~ property reconveyance; or

(f) do any of the following until the time during which the ~~foreclosed homeowner~~ owner may cancel the transaction has fully elapsed:

(1) accept from any ~~foreclosed homeowner~~ owner an execution of, or induce any ~~foreclosed homeowner~~ owner to execute, any instrument of conveyance of any interest in the covered residence in foreclosure;

(2) record with the county recorder or file with the registrar of titles any document, including but not limited to, any instrument of conveyance, signed by the ~~foreclosed homeowner~~ owner;

(3) transfer or encumber or purport to transfer or encumber any interest in the covered residence in foreclosure to any third party, provided no grant of any interest or encumbrance is defeated or affected as against a bona fide purchaser or encumbrance for value and without notice of a violation of sections 325N.10 to 325N.18, and knowledge on the part of any such person or entity that the property was "real covered property in foreclosure" does not constitute notice of a violation of sections 325N.10 to 325N.18. This section does not abrogate any duty of inquiry which exists as to rights or interests of persons in possession of the real covered property in foreclosure; or

(4) pay the ~~foreclosed homeowner~~ owner any consideration.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 22. Minnesota Statutes 2020, section 325N.18, subdivision 1, is amended to read:

Subdivision 1. **Remedies.** A violation of sections 325N.10 to 325N.17 is considered to be a violation of section 325F.69, and all the remedies of section 8.31 are available for such an action. A private right of action under section 8.31 by a ~~foreclosed homeowner~~ an owner is in the public interest.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 23. Minnesota Statutes 2020, section 325N.18, subdivision 2, is amended to read:

Subd. 2. **Exemplary damages.** In a private right of action under section 8.31 for a violation of section 325N.17, the court may award exemplary damages of any amount. In the event the court determines that an award of exemplary damages is appropriate, the amount of exemplary damages

awarded shall not be less than 1-1/2 times the ~~foreclosed homeowner's~~ owner's actual damages. Any claim for exemplary damages brought pursuant to this section must be commenced within four years after the date of the alleged violation.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 24. Minnesota Statutes 2020, section 325N.18, subdivision 4, is amended to read:

Subd. 4. **Criminal penalty.** Any ~~foreclosure~~ equity purchaser who engages in any practice which would operate as a fraud or deceit upon a ~~foreclosed homeowner~~ an owner may, upon conviction, be fined not more than \$50,000 or imprisoned not more than one year, or both. Prosecution or conviction for any one of the violations does not bar prosecution or conviction for any other offenses.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 25. Minnesota Statutes 2020, section 325N.18, subdivision 5, is amended to read:

Subd. 5. **Failure of transaction.** Failure of the parties to complete the reconveyance transaction, in the absence of additional misconduct, shall not subject a ~~foreclosure~~ an equity purchaser to the criminal penalties under this section or section 325N.07.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 26. Minnesota Statutes 2020, section 325N.18, subdivision 6, is amended to read:

Subd. 6. **Stay of eviction action.** (a) A court hearing an eviction action against a ~~foreclosed homeowner~~ an owner must issue an automatic stay, without imposition of a bond, if a defendant makes a prima facie showing that the defendant:

(1) has (i) commenced an action concerning a ~~foreclosure~~ property reconveyance; (ii) asserts a defense under section 504B.121 that the property that is the subject of the eviction action is also the subject of a ~~foreclosure~~ property reconveyance in violation of sections 325N.10 to 325N.17; or (iii) asserts a claim or affirmative defense of fraud, false pretense, false promise, misrepresentation, misleading statement, or deceptive practice, in connection with a ~~foreclosure~~ property reconveyance;

(2) owned the ~~foreclosed~~ covered residence;

(3) conveyed title to the ~~foreclosed~~ covered residence to a third party upon a promise that the defendant would be allowed to occupy the ~~foreclosed~~ covered residence or other real property in which the ~~foreclosure~~ equity purchaser or a person acting in participation with the ~~foreclosure~~ equity purchaser has an interest and that the ~~foreclosed~~ covered residence or other real property would be the subject of a ~~foreclosure~~ property reconveyance; and

(4) since the conveyance, has continuously occupied the ~~foreclosed~~ covered residence or other real property in which the ~~foreclosure~~ equity purchaser or a person acting in participation with the ~~foreclosure~~ equity purchaser has an interest.

For purposes of this subdivision, notarized affidavits are acceptable means of proof to meet the defendant's burden. Upon good cause shown, a defendant may request and the court may grant up to an additional two weeks to produce evidence required to make the prima facie showing.

(b) A court may award to a plaintiff a \$500 penalty upon a showing that the defendant filed a frivolous claim or asserted a frivolous defense.

(c) The automatic stay expires upon the later of:

(1) the failure of the ~~foreclosed homeowner~~ owner to commence an action in a court of competent jurisdiction in connection with a ~~foreclosed~~ property reconveyance transaction within 90 days after the issuance of the stay; or

(2) the issuance of an order lifting the stay by a court hearing claims related to the ~~foreclosure~~ property reconveyance.

(d) If, after the expiration of the stay or an order lifting the stay, a court finds that the defendant's claim or defense was asserted in bad faith and wholly without merit, the court may impose a sanction against the defendant of \$500 plus reasonable attorney fees.

EFFECTIVE DATE. This section is effective July 1, 2021."

Amend the title numbers accordingly

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

Senator Senjem from the Committee on Energy and Utilities Finance and Policy, to which was referred

S.F. No. 227: A bill for an act relating to energy; establishing the Energy Conservation and Optimization Act of 2021; amending Minnesota Statutes 2020, sections 216B.2401; 216B.241, subdivisions 1a, 1c, 1d, 1f, 1g, 2, 2b, 3, 5, 7, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2020, section 216B.241, subdivisions 1, 1b, 2c, 4, 10.

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

Page 1, line 9, delete "19" and insert "18"

Page 1, delete section 2

Page 2, line 32, delete the new language and reinstate the stricken language

Page 4, line 22, after the period, insert "An efficient fuel-switching improvement does not include, and shall not count toward any energy savings goal from energy conservation improvements required under this section, when fuel switching would result in an increase of greenhouse gas emissions into the atmosphere on an annual basis. A consumer-owned utility or public utility filing an energy 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 carbon intensity of an equivalent amount of energy, using a full fuel-cycle energy analysis meets the requirements of this subdivision."

Page 8, line 18, delete "2022" and insert "2024"

Page 17, after line 27, insert:

"(d) Large customer facilities and commercial gas customers that are, under an order from the commissioner, exempt from the investment and expenditure requirements of this section as of December 31, 2020, are not required to submit additional documentation to maintain that exemption and shall not be assessed any costs related to any energy conservation and optimization plan filed under this section, including but not limited to, costs associated with programs for efficient fuel-switching improvements."

Page 17, line 28, delete "(d)" and insert "(e)"

Page 29, line 30, delete "A" and insert "On or after June 1, 2023, a"

Page 31, line 4, delete "As" and insert "On or after June 1, 2023, as"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Senjem from the Committee on Energy and Utilities Finance and Policy, to which was referred

S.F. No. 421: A bill for an act relating to energy; establishing the Natural Gas Innovation Act; encouraging natural gas utilities to develop innovative resources; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Delete everything after the enacting clause and insert:

"Section 1. **TITLE.**

This bill may be referred to as the "Natural Gas Innovation Act."

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

Sec. 2. **[216B.2427] NATURAL GAS UTILITY INNOVATION PLANS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and the lifecycle carbon accounting framework and cost-benefit test for innovative resources issued by the commission, the terms defined in this subdivision have the meanings given.

(b) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture and utilization, strategic electrification, district energy, and energy efficiency.

(c) "Biogas" means gas created by the anaerobic digestion of biomass, gasification of biomass, or other effective conversion processes.

(d) "Carbon capture and utilization" means the capture of greenhouse gases that would otherwise be released into the atmosphere and the use of those gases to create industrial or commercial products for sale.

(e) "Carbon-free resource" means an electricity generation facility that, when operating, does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(f) "District energy" means a network of hot- and cold-water pipes used to provide thermal energy to multiple buildings.

(g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f), but does not include energy conservation investments that the commissioner determines could reasonably be included in the natural gas utility's conservation improvement program.

(h) "Lifecycle greenhouse gas emissions" means the emissions of an energy resource associated with the production, processing, transmission, and consumption of energy associated with the resource.

(i) "Natural gas utility" means a public utility as defined in section 216B.02, subdivision 4, that provides natural gas sales or transportation services to customers in Minnesota.

(j) "Power-to-ammonia" means the creation of ammonia from hydrogen created via power-to-hydrogen using a process that has lower lifecycle greenhouse gas intensity than conventional geologic natural gas.

(k) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to create hydrogen.

(l) "Renewable natural gas" means biogas that has been processed to be interchangeable with conventional natural gas and has lower lifecycle greenhouse gas intensity than conventional geologic natural gas.

(m) "Strategic electrification" means the installation of electric end-use equipment where natural gas is a primary or back-up fuel source provided that installation (1) will result in a net reduction in statewide greenhouse gas emissions as defined in section 216H.01, subdivision 2, over the life of the equipment as compared to the most efficient commercially available natural gas alternative, and (2) is installed and operated in a manner that improves the customer's electric utility's load factor. Electric end-use equipment installed pursuant to this section is the exclusive property of the building owner. Strategic electrification does not include investments that the commissioner determines could be reasonably included in the natural gas utility's conservation improvement

program pursuant to section 216B.241. Strategic electrification approved pursuant to this section is not eligible for a financial incentive pursuant to section 216B.241, subdivision 2c.

(n) "Total incremental cost" means the sum of:

(1) return of and on capital investments for the production, processing, pipeline interconnection, storage, and distribution of innovative resources included in a utility innovation plan approved pursuant to subdivision 2;

(2) incremental operating costs associated with capital investments in infrastructure for the production, processing, pipeline interconnection, storage, and distribution of innovative resources included in a utility innovation plan approved under subdivision 2;

(3) the incremental cost to procure innovative resources from third parties;

(4) the incremental costs to develop and administer programs included in a utility innovation plan; and

(5) incremental costs for research and development related to innovative resources approved pursuant to subdivision 2, less the sum of:

(i) any value received by the natural gas utility upon the resale of the innovative resources or their by-products including any environmental credits included with the resale of renewable gaseous fuels or value received by the natural gas utility when innovative resources are used as vehicle fuel;

(ii) any cost savings achieved through avoidance of conventional natural gas purchases, including but not limited to any avoided commodity purchases or avoided pipeline costs; and

(iii) any other revenues received by the utility that are directly attributable to the utility's implementation of an innovation plan.

Subd. 2. **Innovation plans.** (a) A natural gas utility may file an innovation plan with the commission. The utility's recommended plan must describe or include, as applicable, the following components:

(1) the recommended innovative resource or resources the utility plans to implement to advance the state's goals established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, within the requirements and limitations set forth in this section;

(2) any recommended research and development investments related to innovative resources the utility plans to undertake as part of the plan;

(3) the total lifecycle greenhouse gas emissions that the natural gas utility expects to reduce or avoid pursuant to the plan;

(4) the natural gas utility's estimate of how emissions expected to be avoided or reduced compare to total emissions from natural gas use by its customers in 2020;

(5) any pilot program proposed by the natural gas utility related to the development or provision of innovative resources, including an estimate of the total incremental costs to implement the pilot program;

(6) the cost effectiveness of innovative resources proposed from the perspective of the natural gas utility, society, the utility's nonparticipating customers, and participating customers as compared to other innovative resources that could be deployed to reduce or avoid the same greenhouse gas emissions targeted by the utility's proposed resource;

(7) for any pilot not previously approved as part of the utility's most recent innovation plan, a third-party analysis of the lifecycle greenhouse gas intensity of any innovative resources proposed to be included in the pilot;

(8) for any proposed pilot not previously approved as part of the utility's most recent innovation plan, a third-party analysis of the forecasted lifecycle greenhouse gas emissions reductions achieved or the lifecycle greenhouse gas emissions reduced or avoided if the proposed pilot is implemented;

(9) an explanation of how the utility calculated the lifecycle greenhouse gas emissions avoided or reduced by each pilot including descriptions of how the utility's method deviated, if at all, from the carbon accounting frameworks established by the commission;

(10) whether the recommended plan supports the development and use of alternative agricultural products, waste reduction, reuse, or anaerobic digestion of organic waste, and the recovery of energy from wastewater, and, if so, a description of where those benefits will be realized;

(11) a description of third-party systems and processes the utility plans to use to:

(i) track the proposed innovative resources included in the plan so that environmental benefits are used only for this plan and not claimed for any other program; and

(ii) verify the environmental attributes and greenhouse gas intensity of proposed innovative resources included in the plan;

(12) a description of known local job impacts and the steps the utility and its energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers;

(13) a description of how the utility proposes to recover annual total incremental costs and any steps the utility has taken or proposes to take to reduce the expected cost impact on low- and moderate-income residential customers;

(14) any steps the utility has taken or proposes to take to ensure that low- and moderate- income residential customers will benefit from innovative resources included in the plan; and

(15) a report on the utility's progress toward implementing the approved proposals contained in its previously approved innovation plan, if applicable; and

(16) a report of the utility's progress toward achieving the cost-effectiveness objectives established upon approval of its previously approved innovation plan, if applicable.

(b) Along with its recommended plan, the natural gas utility must provide forecasted total incremental costs and lifecycle greenhouse gas emissions for:

(1) a set of pilots that the utility estimates would provide approximately half of the greenhouse gas reduction or avoidance benefits of the utility's preferred plan;

(2) a set of pilots that the utility estimates would provide approximately one and a half times the greenhouse gas reduction or avoidance benefits of the utility's preferred plan; and

(3) a set of pilots that the utility estimates would provide approximately twice the greenhouse gas reduction or avoidance benefits of the utility's preferred plan.

(c) In deciding whether to approve, modify, or deny a plan, the commission may not approve an innovation plan unless it finds that:

(1) the size, scope, and scale of the plan and the incremental total cost of the plan will result in net benefits under the cost-benefit framework established by the commission;

(2) the plan will promote the use of renewable energy resources and reduce or avoid greenhouse gas emissions at a cost level consistent with subdivision 3;

(3) the plan will promote local economic development;

(4) the innovative resources included in the plan have a lower lifecycle greenhouse gas intensity than conventional geologic natural gas;

(5) reasonable systems will be used to track and verify the environmental attributes of the innovative resources included in the plan, taking into account any third-party tracking or verification systems available;

(6) the costs and revenues expected to be incurred pursuant to the plan are reasonable in comparison to other innovative resources the utility could deploy to address greenhouse gas emissions and considering other benefits of the innovative resources included in the plan;

(7) the costs and revenues expected to be incurred for any energy efficiency, district energy, or strategic electrification measures included in the plan are reasonable in comparison to the costs of renewable natural gas, biogas, hydrogen produced via power-to-hydrogen, or ammonia produced via power-to-ammonia resources that the utility could deploy to address greenhouse gas emissions;

(8) the total amount of estimated greenhouse gas reduction or avoidance to be achieved is reasonable considering the state's goals established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, customer cost, and the total amount of greenhouse gas reduction or avoidance achieved under the natural gas utility's previously approved plans, if applicable; and

(9) 50 percent or more of estimated costs included for recovery in the plan are for the procurement and distribution of renewable natural gas, biogas, hydrogen produced via power-to-hydrogen, or ammonia produced via power-to-ammonia.

(d) The utility bears the burden to prove the actual total incremental costs to implement the approved innovation plan were reasonable. Prudently incurred costs incurred pursuant to an approved

plan and prudently incurred costs for obtaining the third-party analysis required in paragraph (a), clauses (6) and (7), are recoverable either:

(1) under section 216B.16, subdivision 7, clause (2), via the utility's purchased gas adjustment;

(2) in the natural gas utility's next general rate case; or

(3) via annual adjustments provided that, after notice and comment, the commission determines that the costs included for recovery through the rate schedule are prudently incurred. Annual adjustments shall include a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and incremental operation and maintenance expense. The rate of return shall be at the level approved by the commission in the natural gas utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.

(e) Upon approval of a utility's plan, the commission shall establish plan cost-effectiveness objectives based on the cost-benefit test for innovative resources. The cost-effectiveness objective for each plan should demonstrate incremental progress from the previously approved plan's cost-effectiveness objective.

(f) A natural gas utility with an approved plan must provide annual reports to the commission regarding the work completed pursuant to the plan, including the costs incurred under the plan and lifecycle greenhouse gas reduction or avoidance accomplished under the plan; a description of the processes used to track, verify, and retire the innovative resources and associated environmental attributes; an update on the lifecycle greenhouse gas accounting methodology consistent with current science; an update on the economic impact of the plan including job creation; and the utility's progress toward achieving the cost-effectiveness objectives established by the commission on approval of the plan. As part of the annual status report the natural gas utility may propose modifications to pilot programs in the plan. In evaluating a utility's annual report the commission may:

(1) approve the continuation of a pilot program, with or without modifications;

(2) require the utility to file a new or modified plan to account for changed circumstances; or

(3) disapprove the continuation of a pilot program.

(g) Each innovation plan shall be in effect for five years. Once a natural gas utility has an approved innovation plan, it must file a new innovation plan within four years for implementation at the end of the prior five-year plan period.

(h) A utility may file an innovation plan at any time after this section becomes effective.

(i) For purposes of this section, and the commission's lifecycle carbon accounting framework and cost-benefit test for innovative resources, whenever an analysis or estimate of lifecycle greenhouse gas emissions reductions, lifecycle greenhouse gas avoidance, or lifecycle greenhouse gas intensity is required, the analysis will include, but not be limited to, as applicable:

(1) avoided or reduced emissions attributable to utility operations;

(2) avoided or reduced emissions from the production, processing, and transmission of fuels prior to receipt by the utility; and

(3) avoided or reduced emissions at the point of end use, but in no event shall the analysis count any one unit of greenhouse gas emissions avoidance or reduction more than once.

The analysis or estimate may rely on emissions factors, default values, or engineering estimates from a publicly accessible source accepted by a federal or state government agency, where direct measurement is not technically or economically feasible, if such emissions factors, default values, or engineering estimates can be demonstrated to produce a reasonable estimate of greenhouse gas emissions reductions, avoidance, or intensity.

Subd. 3. Limitations on utility customer costs.

(a) The first innovation plan submitted to the commission by a natural gas utility may not propose, and the commission may not approve, recovery of annual total incremental costs exceeding the lesser of (1) one and three quarters percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$20 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional quarter of one percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$5 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(b) Subsequent innovation plans submitted to the commission may not propose and the commission may not approve, recovery of annual total incremental costs exceeding the limits set forth in paragraph (a) unless the commission determines that the utility has successfully achieved the cost-effectiveness objectives established upon approval of a utility innovation plan under paragraph (a), in which case the utility may propose, and the commission may approve, recovery of annual total incremental costs of up to the lesser of (1) two and three quarters percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$35 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional three quarters of one percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$10 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(c) Subsequent innovation plans submitted to the commission may not propose, and the commission may not approve, recovery of total incremental costs exceeding the limits set forth in paragraph (b) unless the commission determines that the utility has successfully achieved the cost-effectiveness objectives established upon approval of a utility innovation plan under paragraph (b), in which case the utility may propose, and the commission may approve, recovery of annual total incremental costs of up to the lesser of (1) four percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$50 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional one and one-half percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$20 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(d) A large customer facility that has been exempted by the commissioner of commerce from a utility's conservation improvement program under section 216B.241, subdivision 1a, paragraph (b), shall be exempt from the utility's innovation plan offerings and shall not bear any costs incurred to implement an approved innovation plan unless the large customer facility files a request with the commissioner to be included in a utility's innovation plan. The commission may prohibit large customer facilities exempted from innovation plan costs from participating in innovation plan pilots. For purposes of this subdivision, "gross operating revenues" do not include revenues from large customer facilities exempted from innovation plan costs.

(e) A natural gas utility filing an innovation plan may also include spending and investments annually up to ten percent of the proposed total incremental costs related to innovative plan pilots, subject to the limitations in paragraphs (a), (b), and (c).

Subd. 4. Innovative resources procured outside of an innovation plan. Without filing an innovation plan, a natural gas utility may propose and the commission may approve cost recovery for:

(1) innovative resources acquired to satisfy a commission-approved green tariff program that allows customers to choose to meet a portion of the customers' energy needs through innovative resources; or

(2) utility expenditures for innovative resources procured at a cost that is within five percent of the average of Ventura and Demarc index prices for conventional natural gas at the time of the transaction per unit of fossil natural gas that the innovative resource will displace.

An approved green-tariff program must include provisions to ensure reasonable systems are used to track and verify the environmental attributes of innovative resources included in the program, taking into account any third-party tracking or verification systems available.

Subd. 5. **Thermal energy leadership challenge.** The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot thermal energy leadership challenge for small- and medium-sized businesses. The pilot program must provide small- and medium-sized business with thermal energy audits to identify opportunities to reduce or avoid greenhouse gas emissions from natural gas use, and provide incentives for businesses to follow through with audit recommendations. The utility must develop criteria to identify businesses that take meaningful steps to follow through on audit recommendations and recognize qualifying businesses as thermal energy leaders.

Subd. 6. **Innovative resources for very high-heat industrial processes.** The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot program that will provide innovative resources for hard-to-electrify industrial processes. A large customer facility exempt from innovation plan offerings under subdivision 3, paragraph (e), shall not be eligible to participate in this pilot.

Subd. 7. **Electric cold climate air-source heat pumps.** (a) The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot program that facilitates deep energy retrofits and the installation of cold climate electric air-source heat pumps with natural gas backups in existing residential homes that have natural gas heating systems.

(b) For purposes of this subdivision, "deep energy retrofit" means the installation of any measure or combination of measures, including air sealing and addressing thermal bridges, that under normal weather and operating conditions can reasonably be expected to reduce the building's calculated design load to ten or fewer British Thermal Units per hour per square foot of conditioned floor area. Deep energy retrofit does not include the installation of photovoltaic electric generation equipment, but may include the installation of a qualifying solar thermal project, as defined in section 216B.2411.

Sec. 3. **PUBLIC UTILITIES COMMISSION LIFECYCLE CARBON ACCOUNTING FRAMEWORK AND COST-BENEFIT TEST FOR INNOVATIVE RESOURCES.**

By June 1, 2022, the Public Utilities Commission shall issue by order frameworks for the calculation of lifecycle carbon intensities of each innovative resource as follows:

(1) a general framework for the comparison of power-to-hydrogen, strategic electrification, renewable natural gas, district energy, energy efficiency, biogas, carbon capture, and power-ammonia according to their lifecycle greenhouse gas intensities; and

(2) a cost-benefit analytic framework to be applied to innovative resources and innovation plans filed pursuant to section 216B.2427, that the commission will use to compare the cost-effectiveness of those resources and plans. This analytic framework shall take into account:

(i) the total incremental cost of the plan or resource that would be evaluated under the framework and the lifecycle greenhouse gas emissions avoided or reduced by the innovative resource or plan, using the framework developed under clause (1);

(ii) any important additional economic costs and benefits, programmatic costs and benefits, additional environmental costs and benefits, and other costs or benefits that may be expected under a plan; and

(iii) baseline cost-effectiveness criteria against which an innovation plan should be compared. In establishing the baseline criteria, the commission shall take into account the options available for reducing lifecycle greenhouse gas emissions from natural gas end uses and the goals in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1. To the maximum reasonable extent, the cost-benefit framework shall be consistent with environmental cost values established pursuant to section 216B.2422, subdivision 3, and other calculation of the social value of greenhouse gas emissions reduction.

The commission may update frameworks established under this section as necessary.

Sec. 4. EFFECTIVE DATE.

Sections 1 and 3 are effective the day following final enactment. Section 2 is effective June 1, 2022."

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. 587, 299, 213, 483, 2, 440, and 227 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Pappas, Frentz, and Rosen introduced--

S.F. No. 976: A bill for an act relating to retirement; establishing the Minnesota Secure Choice retirement program; proposing coding for new law as Minnesota Statutes, chapter 187.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Senjem and Pappas introduced--

S.F. No. 977: A bill for an act relating to capital investment; appropriating money for forests and forestry capital projects; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Duckworth introduced--

S.F. No. 978: A bill for an act relating to taxation; sales and use; providing an exemption for headstones and footstones; amending Minnesota Statutes 2020, section 297A.67, subdivision 10.

Referred to the Committee on Taxes.

Senator Tomassoni introduced--

S.F. No. 979: A bill for an act relating to environment; appropriating money for wastewater pond optimization.

Referred to the Committee on Environment and Natural Resources Finance.

Senator Tomassoni introduced--

S.F. No. 980: A bill for an act relating to health care facility finance; restructuring and renaming the Minnesota Higher Education Facilities Authority as the Minnesota Health and Education Facilities Authority; authorizing the authority to construct and finance health care facilities; increasing bonding capacity; amending Minnesota Statutes 2020, sections 3.732, subdivision 1; 10A.01, subdivision 35; 136A.25; 136A.26; 136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by adding a subdivision; 136A.32, subdivision 4; 136A.33; 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42; 136F.67, subdivision 1; 354B.20, subdivision 7; repealing Minnesota Statutes 2020, section 136A.29, subdivision 4.

Referred to the Committee on Higher Education Finance and Policy.

Senator Wiklund introduced--

S.F. No. 981: A bill for an act relating to health; appropriating money for the Department of Health, health operations, and health-related boards, councils, and ombudsman; making health policy changes to electronic health records, health care information exchange, radiation hazard application fees, tests for infants for medical conditions, maternal morbidity and death studies, fetal and infant death studies, and asbestos abatement; amending Minnesota Statutes 2020, sections 62J.495, subdivisions 1, 2, 3, 4; 62J.498; 62J.4981; 62J.4982; 144.1205, subdivisions 2, 4, 8, 9, by adding a subdivision; 144.125, subdivision 1; 145.901; 326.71, subdivision 4; 326.75, subdivisions 1, 2, 3; Laws 2019, First Special Session chapter 9, article 14, section 3, as amended; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Wiklund introduced--

S.F. No. 982: A bill for an act relating to state government; modifying provisions governing children and family services, community supports, direct care and treatment, health care, human services licensing and background studies, and chemical and mental health services; making forecast

adjustments; requiring reports; transferring money; making technical and conforming changes; appropriating money; amending Minnesota Statutes 2020, sections 62A.152, subdivision 3; 62A.3094, subdivision 1; 62Q.096; 62V.05, by adding a subdivision; 119B.011, subdivision 15; 119B.025, subdivision 4; 119B.13, subdivision 1; 122A.18, subdivision 8; 144.651, subdivision 2; 144D.01, subdivision 4; 144G.08, subdivision 7, as amended; 148B.5301, subdivision 2; 148E.120, subdivision 2; 148F.11, subdivision 1; 174.30, subdivision 3; 245.462, subdivisions 1, 6, 8, 9, 14, 16, 17, 18, 21, 23, by adding a subdivision; 245.4661, subdivision 5; 245.4662, subdivision 1; 245.467, subdivisions 2, 3; 245.469, subdivisions 1, 2; 245.470, subdivision 1; 245.4712, subdivision 2; 245.472, subdivision 2; 245.4863; 245.4871, subdivisions 9a, 10, 11a, 17, 21, 26, 27, 29, 31, 32, 34, by adding a subdivision; 245.4876, subdivisions 2, 3; 245.4879, subdivision 1; 245.488, subdivision 1; 245.4901, subdivision 2; 245.62, subdivision 2; 245.735, subdivision 3; 245A.03, subdivision 7; 245A.04, subdivision 5; 245A.10, subdivision 4; 245A.65, subdivision 2; 245C.02, by adding subdivisions; 245C.03; 245C.05, subdivisions 1, 2, 2a, 2b, 4; 245C.08, by adding subdivisions; 245C.10, subdivision 15, by adding subdivisions; 245C.13, subdivision 2; 245C.14, by adding a subdivision; 245C.16, subdivisions 1, 2; 245C.17, subdivision 1, by adding a subdivision; 245C.18; 245D.02, subdivision 20; 246.54, subdivision 1b; 254B.05, subdivision 5; 256.042, subdivisions 2, 4; 256.043, subdivision 3; 256.9695, subdivision 1; 256.983; 256B.04, subdivisions 12, 14; 256B.057, subdivision 3; 256B.0615, subdivisions 1, 5; 256B.0616, subdivisions 1, 3, 5; 256B.0622, subdivisions 1, 2, 3a, 4, 7, 7a, 7b, 7c, 7d; 256B.0623, subdivisions 1, 2, 3, 4, 5, 6, 9, 12; 256B.0624; 256B.0625, subdivisions 3b, 5, 9, 13, 13e, 17, 17b, 18, 18b, 19c, 20, 28a, 42, 48, 49, 56a, 58; 256B.0757, subdivision 4c; 256B.0759, subdivisions 2, 4; 256B.092, subdivisions 4, 5, 12; 256B.0924, subdivision 6; 256B.094, subdivision 6; 256B.0941, subdivision 1; 256B.0943, subdivisions 1, 2, 3, 4, 5, 5a, 6, 7, 9, 11; 256B.0946, subdivisions 1, 1a, 2, 3, 4, 6; 256B.0947, subdivisions 1, 2, 3, 3a, 5, 6, 7; 256B.0949, subdivisions 2, 4, 5a, 13, by adding a subdivision; 256B.25, subdivision 3; 256B.49, subdivisions 11, 11a, 17, by adding a subdivision; 256B.4914, subdivisions 5, 6, 7, 8, 9, by adding a subdivision; 256B.69, subdivision 6d; 256B.75; 256B.76, subdivisions 2, 4; 256B.761; 256B.763; 256B.766; 256B.767; 256B.79, subdivisions 1, 3; 256D.03, by adding a subdivision; 256D.051, by adding subdivisions; 256D.0516, subdivision 2; 256E.30, subdivision 2; 256E.34, subdivision 1; 256I.03, subdivision 13; 256I.05, subdivisions 1a, 11; 256I.06, subdivisions 6, 8; 256J.08, subdivisions 71, 79; 256J.21, subdivisions 2, 3, 4; 256J.33, subdivisions 1, 2; 256J.37, subdivisions 3, 3a; 256J.626, subdivision 1; 256L.01, subdivision 5; 256L.04, subdivision 7b; 256L.05, subdivision 3a; 256L.11, subdivision 7; 256N.25, subdivisions 2, 3; 256N.26, subdivisions 11, 13; 256P.01, subdivision 6a, by adding a subdivision; 256P.04, subdivisions 4, 8; 256P.06, subdivision 3; 256P.07; 295.50, subdivision 9b; 325F.721, subdivision 1; Laws 2017, chapter 13, article 1, section 15, as amended; proposing coding for new law in Minnesota Statutes, chapters 245C; 256B; 256P; proposing coding for new law as Minnesota Statutes, chapter 245I; repealing Minnesota Statutes 2020, sections 245.462, subdivision 4a; 245.4879, subdivision 2; 245.62, subdivisions 3, 4; 245.69, subdivision 2; 245A.191; 245C.10, subdivisions 2, 2a, 3, 4, 5, 6, 7, 8, 9, 9a, 10, 11, 12, 13, 14, 16; 256B.0596; 256B.0615, subdivision 2; 256B.0616, subdivision 2; 256B.0622, subdivisions 3, 5a; 256B.0623, subdivisions 7, 8, 10, 11; 256B.0625, subdivisions 5l, 18c, 18d, 18e, 18h, 35a, 35b, 61, 62, 65; 256B.0916, subdivisions 2, 3, 4, 5, 8, 11, 12; 256B.0943, subdivisions 8, 10; 256B.0944; 256B.0946, subdivision 5; 256B.097; 256B.49, subdivisions 26, 27; 256D.051, subdivisions 1, 1a, 2, 2a, 3, 3a, 3b, 6b, 6c, 7, 8, 9, 18; 256D.052, subdivision 3; 256J.08, subdivisions 10, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256L.11, subdivision 6a; Minnesota Rules, parts 9505.0370; 9505.0371; 9505.0372; 9520.0010; 9520.0020; 9520.0030; 9520.0040; 9520.0050; 9520.0060; 9520.0070; 9520.0080; 9520.0090; 9520.0100; 9520.0110; 9520.0120; 9520.0130;

9520.0140; 9520.0150; 9520.0160; 9520.0170; 9520.0180; 9520.0190; 9520.0200; 9520.0210; 9520.0230; 9520.0750; 9520.0760; 9520.0770; 9520.0780; 9520.0790; 9520.0800; 9520.0810; 9520.0820; 9520.0830; 9520.0840; 9520.0850; 9520.0860; 9520.0870.

Referred to the Committee on Human Services Licensing Policy.

Senators Dornink, Draheim, Nelson, Senjem, and Putnam introduced--

S.F. No. 983: A bill for an act relating to public safety; appropriating money for grants to fund organizations addressing racial disparity of youth using shelter services.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Mathews and Nelson introduced--

S.F. No. 984: A bill for an act relating to human services; modifying personal care assistance program; amending Minnesota Statutes 2020, section 256B.0659, subdivisions 1, 6.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Bakk, Rarick, Johnson Stewart, Goggin, and Dornink introduced--

S.F. No. 985: A bill for an act relating to workforce development; appropriating money for a grant to the Construction Careers Foundation.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senators Hawj and Wiger introduced--

S.F. No. 986: A bill for an act relating to veterans; expanding the definition of veteran; amending Minnesota Statutes 2020, section 197.447.

Referred to the Committee on Veterans and Military Affairs Finance and Policy.

Senators Dornink, Chamberlain, Duckworth, and Newman introduced--

S.F. No. 987: A bill for an act relating to education finance; establishing an evidence-based standard for any legislative grant for prekindergarten through grade 12 education programs; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 127A.

Referred to the Committee on Education Finance and Policy.

Senator Johnson Stewart introduced--

S.F. No. 988: A bill for an act relating to taxation; sales and use; authorizing political subdivisions to impose a local sales tax on motor fuels to fund construction, reconstruction, and maintenance of transportation infrastructure; amending Minnesota Statutes 2020, section 239.7511; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes.

Senator Nelson introduced--

S.F. No. 989: A bill for an act relating to health insurance; requiring no-cost diagnostic services and testing following a mammogram; amending Minnesota Statutes 2020, section 62A.30, by adding a subdivision.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Nelson introduced--

S.F. No. 990: A bill for an act relating to health; allowing pharmacy and provider choice related to the prescribing and dispensing of biological products; requiring a report; amending Minnesota Statutes 2020, section 151.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 62W.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Rosen introduced--

S.F. No. 991: A bill for an act relating to state government; appropriating money for projected budget deficiencies for various state programs and other state government purposes; establishing the small business COVID-19 loan program; requiring reports.

Referred to the Committee on Finance.

Senators Mathews, Rarick, and Utke introduced--

S.F. No. 992: A bill for an act relating to energy; repealing energy conservation improvement program requirements; repealing Minnesota Statutes 2020, section 216B.241.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senator Newman introduced--

S.F. No. 993: A bill for an act relating to state government; providing for disposition of contested case hearings by the Office of Administrative Hearings; amending Minnesota Statutes 2020, section 14.57.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Duckworth and Howe introduced--

S.F. No. 994: A bill for an act relating to capital investment; appropriating money for housing for burn victims and their families during treatment; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Newman introduced--

S.F. No. 995: A bill for an act relating to elections; prohibiting use of public funds to promote or defeat a ballot question; proposing coding for new law in Minnesota Statutes, chapters 5; 10A.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Newman introduced--

S.F. No. 996: A bill for an act relating to education; modifying civics and social studies graduation requirements; amending Minnesota Statutes 2020, sections 120B.02, subdivision 3; 120B.024, subdivision 1.

Referred to the Committee on Education Finance and Policy.

Senator Newman introduced--

S.F. No. 997: A bill for an act relating to taxation; local sales and use; authorizing the city of Litchfield to impose a local sales and use tax.

Referred to the Committee on Taxes.

Senator Newman introduced--

S.F. No. 998: A bill for an act relating to arts and cultural heritage; appropriating money for Litchfield Opera House.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Benson, Koran, Draheim, and Nelson introduced--

S.F. No. 999: A bill for an act relating to health care; restricting medical assistance pharmacy providers to in-state pharmacies; amending Minnesota Statutes 2020, sections 256B.0625, by adding a subdivision; 256B.69, subdivision 6d.

Referred to the Committee on Health and Human Services Finance and Policy.

Senators Dornink and Weber introduced--

S.F. No. 1000: A bill for an act relating to capital investment; appropriating money for clean water; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Bigham introduced--

S.F. No. 1001: A bill for an act relating to capital investment; appropriating money for a storm water lift station to control storm water entering Seidl's Lake in South St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Duckworth, Draheim, Dahms, Hawj, and Dziejczak introduced--

S.F. No. 1002: A bill for an act relating to housing; increasing the maximum loan amount under the rehabilitation loan program; amending Minnesota Statutes 2020, section 462A.05, subdivision 14a.

Referred to the Committee on Housing Finance and Policy.

Senator Cwodzinski introduced--

S.F. No. 1003: A bill for an act relating to motor vehicles; establishing an Air Medal special veterans license plate; amending Minnesota Statutes 2020, section 168.123, subdivision 2.

Referred to the Committee on Veterans and Military Affairs Finance and Policy.

Senator Murphy introduced--

S.F. No. 1004: A bill for an act relating to agriculture; providing for an exemption from commercial pesticide applicator licensing for use of sanitizers and disinfectants in response to COVID-19; amending Minnesota Statutes 2020, section 18B.33, subdivision 1.

Referred to the Committee on Agriculture and Rural Development Finance and Policy.

Senator Murphy introduced--

S.F. No. 1005: A bill for an act relating to agriculture; extending the exemption from commercial pesticide applicator licensing for use of sanitizers and disinfectants in response to COVID-19; amending Laws 2020, chapter 71, article 2, section 19.

Referred to the Committee on Agriculture and Rural Development Finance and Policy.

Senators Port and Fateh introduced--

S.F. No. 1006: A bill for an act relating to employment; providing emergency paid sick leave to health care employees excluded from the federal Families First Coronavirus Response Act.

Referred to the Committee on Labor and Industry Policy.

Senator Champion introduced--

S.F. No. 1007: A bill for an act relating to public safety; appropriating money for prosecutor and law enforcement training and public defender training.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Champion introduced--

S.F. No. 1008: A bill for an act relating to capital investment; authorizing the issuance of redevelopment appropriation bonds for areas damaged by civil unrest; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Capital Investment.

Senator Champion introduced--

S.F. No. 1009: A bill for an act relating to labor; modifying the public employment labor relations act; amending Minnesota Statutes 2020, sections 179A.03, subdivisions 5, 17; 179A.04, subdivision 3; 179A.06, subdivision 2; 179A.14, subdivision 3; 179A.16, subdivisions 4, 6, 7; 179A.21, subdivision 3; repealing Minnesota Statutes 2020, sections 179A.102; 179A.103.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Champion introduced--

S.F. No. 1010: A bill for an act relating to elections; restoring the right to vote to individuals convicted of a felony upon completion of any term of incarceration imposed and executed by a court for the offense; amending Minnesota Statutes 2020, sections 201.014, by adding a subdivision; 201.071, subdivision 1; 204C.10; 609.165, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 201; 243.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Duckworth, Osmek, Pratt, Jasinski, and Hoffman introduced--

S.F. No. 1011: A bill for an act relating to transportation; requiring a report on transportation revenue sources and expenditures.

Referred to the Committee on Transportation Finance and Policy.

Senators Chamberlain, Benson, and Dornink introduced--

S.F. No. 1012: A bill for an act relating to education finance; promoting digital well-being education and training for the health, mental well-being, and learning of all Minnesota students as it relates to the use of digital media; appropriating money for a Minnesota-based organization that collaborates with communities to promote digital well-being.

Referred to the Committee on Education Finance and Policy.

Senator Housley introduced--

S.F. No. 1013: A bill for an act relating to human services; modifying child care assistance and child care provider provisions; amending Minnesota Statutes 2020, sections 119B.11, subdivision 2a; 119B.125, subdivision 1; 119B.13, subdivisions 6, 7; repealing Minnesota Statutes 2020, sections 119B.04; 119B.125, subdivision 5.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Nelson, Hoffman, Franzen, Fateh, and Bigham introduced--

S.F. No. 1014: A bill for an act relating to education finance; modifying the Head Start appropriation distribution; appropriating money; amending Minnesota Statutes 2020, section 119A.52.

Referred to the Committee on Education Finance and Policy.

Senators Lang, Rosen, Tomassoni, Bakk, and Gazelka introduced--

S.F. No. 1015: A bill for an act relating to energy; establishing a process to compensate businesses for loss of business opportunity resulting from sale and closure of a biomass energy plant.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senators Dornink, Hoffman, Draheim, Lang, and Benson introduced--

S.F. No. 1016: A bill for an act relating to education; establishing provisions for digital and online library database resources for students; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 134.

Referred to the Committee on Education Finance and Policy.

Senators Dornink, Hoffman, Draheim, Lang, and Benson introduced--

S.F. No. 1017: A bill for an act relating to taxation; individual income and corporate franchise; providing for federal conformity to exclusion of paycheck protection loan forgiveness from gross income and certain related deductions; providing certain business entities the option to file as C-option corporations; amending Minnesota Statutes 2020, sections 289A.02, subdivision 7; 289A.08, by adding a subdivision; 289A.38, by adding a subdivision; 290.01, subdivisions 19, 31, by adding a subdivision; 290.0132, by adding a subdivision; 290.06, subdivisions 2c, 22; 290.091, subdivision 2; 290.0921, subdivision 2; 290.92, subdivisions 4b, 4c; 290A.03, subdivision 15; 291.005, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Senjem introduced--

S.F. No. 1018: A bill for an act relating to energy; eliminating the sunset for recovery of gas utility infrastructure costs; repealing Laws 2005, chapter 97, article 10, section 3, as amended.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senator Koran introduced--

S.F. No. 1019: A bill for an act relating to legislative audits; modifying various provisions governing Office of the Legislative Auditor activities; amending Minnesota Statutes 2020, sections

3.971, subdivision 2, by adding a subdivision; 3.972, subdivisions 2, 2a; 3.978, subdivision 2; 3.979, subdivision 3; repealing Minnesota Statutes 2020, sections 3.972, subdivisions 2c, 2d; 3.9741, subdivision 5; 299D.03, subdivision 2a.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Dahms and Utke introduced--

S.F. No. 1020: A bill for an act relating to commerce; regulating continuing education sponsors and instructors; amending Minnesota Statutes 2020, section 45.33.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

Senator Koran introduced--

S.F. No. 1021: A bill for an act relating to liquor; modifying certain taxation provisions; modifying off-sale limit for microdistilleries; authorizing self-distribution for certain producers; modifying certain malt liquor packaging and off-sale requirements; modifying brand registration requirements; authorizing limited off-sale for bars and restaurants; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2020, sections 297G.01, subdivision 3a; 297G.03, subdivisions 1, 6; 340A.101, by adding a subdivision; 340A.22, subdivision 4; 340A.24, subdivisions 3, 4; 340A.28, subdivision 1; 340A.285; 340A.301, subdivision 10, by adding a subdivision; 340A.311; 340A.315, subdivisions 7, 8; repealing Minnesota Statutes 2020, sections 297G.03, subdivision 4; 340A.315, subdivision 4.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

Senator Weber introduced--

S.F. No. 1022: A bill for an act relating to civil law; repealing law relating to public health care and certain trusts; repealing Minnesota Statutes 2020, section 501C.1206.

Referred to the Committee on Civil Law and Data Practices Policy.

Senators Dahms and Weber introduced--

S.F. No. 1023: A bill for an act relating to capital improvements; appropriating money for flood hazard mitigation in Area II of the Minnesota River Basin; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Limmer introduced--

S.F. No. 1024: A bill for an act relating to capital investment; appropriating money for the expansion and renovation of the Maple Grove Community Center; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Mathews introduced--

S.F. No. 1025: A bill for an act relating to contracts; modifying and clarifying requirements relating to building and construction contracts; amending Minnesota Statutes 2020, sections 15.71, by adding a subdivision; 15.72, by adding a subdivision; 337.01, subdivision 3; 337.05, subdivision 1.

Referred to the Committee on Labor and Industry Policy.

Senator Utke introduced--

S.F. No. 1026: A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article I; providing for the right of the people to acquire, keep, possess, transport, carry, transfer, and use arms including firearms, knives, or any other weapons and ammunition, components, and accessories for these arms.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Utke introduced--

S.F. No. 1027: A bill for an act relating to insurance; providing exemptions to certain insurance company requirements; authorizing rulemaking; amending Minnesota Statutes 2020, sections 60A.01; 60A.205, by adding a subdivision; 60K.49, by adding a subdivision; 72A.03; 72A.15.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

Senator Housley introduced--

S.F. No. 1028: A bill for an act relating to human services; modifying mental health services provisions; amending Minnesota Statutes 2020, sections 62A.152, subdivision 3; 62A.3094, subdivision 1; 62Q.096; 144.651, subdivision 2; 144D.01, subdivision 4; 144G.08, subdivision 7, as amended; 148B.5301, subdivision 2; 148E.120, subdivision 2; 148F.11, subdivision 1; 245.462, subdivisions 1, 6, 8, 9, 14, 16, 17, 18, 21, 23, by adding a subdivision; 245.4661, subdivision 5; 245.4662, subdivision 1; 245.467, subdivisions 2, 3; 245.469, subdivisions 1, 2; 245.470, subdivision 1; 245.4712, subdivision 2; 245.472, subdivision 2; 245.4863; 245.4871, subdivisions 9a, 10, 11a, 17, 21, 26, 27, 29, 31, 32, 34, by adding a subdivision; 245.4876, subdivisions 2, 3; 245.4879, subdivision 1; 245.488, subdivision 1; 245.4901, subdivision 2; 245.62, subdivision 2; 245.735, subdivision 3; 245A.04, subdivision 5; 245A.10, subdivision 4; 245A.65, subdivision 2; 245D.02, subdivision 20; 254B.05, subdivision 5; 256B.0615, subdivisions 1, 5; 256B.0616, subdivisions 1, 3, 5; 256B.0622, subdivisions 1, 2, 3a, 4, 7, 7a, 7b, 7c, 7d; 256B.0623, subdivisions 1, 2, 3, 4, 5, 6, 9, 12; 256B.0624; 256B.0625, subdivisions 3b, 5, 19c, 28a, 42, 48, 49, 56a; 256B.0757, subdivision 4c; 256B.0941, subdivision 1; 256B.0943, subdivisions 1, 2, 3, 4, 5, 5a, 6, 7, 9, 11; 256B.0946, subdivisions 1, 1a, 2, 3, 4, 6; 256B.0947, subdivisions 1, 2, 3, 3a, 5, 6, 7; 256B.0949, subdivisions 2, 4, 5a; 256B.25, subdivision 3; 256B.761; 256B.763; 256P.01, subdivision 6a; 295.50, subdivision 9b; 325F.721, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256B; proposing coding for new law as Minnesota Statutes, chapter 245I; repealing Minnesota Statutes 2020, sections 245.462, subdivision 4a; 245.4879, subdivision 2; 245.62, subdivisions 3, 4; 245.69, subdivision 2; 256B.0615, subdivision 2; 256B.0616, subdivision 2; 256B.0622, subdivisions 3, 5a;

256B.0623, subdivisions 7, 8, 10, 11; 256B.0625, subdivisions 5l, 35a, 35b, 61, 62, 65; 256B.0943, subdivisions 8, 10; 256B.0944; 256B.0946, subdivision 5; Minnesota Rules, parts 9505.0370; 9505.0371; 9505.0372; 9520.0010; 9520.0020; 9520.0030; 9520.0040; 9520.0050; 9520.0060; 9520.0070; 9520.0080; 9520.0090; 9520.0100; 9520.0110; 9520.0120; 9520.0130; 9520.0140; 9520.0150; 9520.0160; 9520.0170; 9520.0180; 9520.0190; 9520.0200; 9520.0210; 9520.0230; 9520.0750; 9520.0760; 9520.0770; 9520.0780; 9520.0790; 9520.0800; 9520.0810; 9520.0820; 9520.0830; 9520.0840; 9520.0850; 9520.0860; 9520.0870.

Referred to the Committee on Human Services Licensing Policy.

Senators Wiklund and Port introduced--

S.F. No. 1029: A bill for an act relating to health; expanding eligibility for MinnesotaCare and establishing a public option; modifying enrollee premiums; modifying the definition of affordability for certain families; requiring an implementation plan and recommendations for an alternative delivery and payment system; amending Minnesota Statutes 2020, sections 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; 256L.07, subdivisions 1, 2; 256L.15, subdivision 2, by adding a subdivision.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Westrom introduced--

S.F. No. 1030: A bill for an act relating to energy; appropriating money for an ammonia production pilot demonstration project.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senator Anderson introduced--

S.F. No. 1031: A bill for an act relating to transportation; designating a segment of marked U.S. Highway 12 in Howard Lake as Chief Daryl "Taddy" Drusch Memorial Highway; amending Minnesota Statutes 2020, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation Finance and Policy.

Senator Anderson introduced--

S.F. No. 1032: A bill for an act relating to local government; prohibiting annexation of a designated area by means other than those identified in an orderly annexation agreement; prohibiting annexation of the designated area by nonparties; amending Minnesota Statutes 2020, section 414.0325, subdivisions 1, 6.

Referred to the Committee on Local Government Policy.

Senator Anderson introduced--

S.F. No. 1033: A bill for an act relating to capital investment; modifying an appropriation for improvements in the city of South Haven; amending Laws 2020, Fifth Special Session chapter 3, article 1, section 22, subdivision 28.

Referred to the Committee on Capital Investment.

Senators Duckworth, Howe, Lang, and Port introduced--

S.F. No. 1034: A bill for an act relating to public safety; requiring the Bureau of Criminal Apprehension to investigate criminal sexual conduct allegations when a member of the Minnesota National Guard accuses another member of the Minnesota National Guard of sexual assault; amending Minnesota Statutes 2020, sections 299C.80, subdivision 3; 609.3459.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Clausen introduced--

S.F. No. 1035: A bill for an act relating to workers' compensation; creating a presumption of occupational disease for firefighters with certain forms of cancer; amending Minnesota Statutes 2020, section 176.011, subdivision 15, as amended.

Referred to the Committee on Labor and Industry Policy.

Senator Hawj introduced--

S.F. No. 1036: A bill for an act relating to natural resources; establishing cost-share program for soil health; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103F.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Hawj introduced--

S.F. No. 1037: A bill for an act relating to natural resources; establishing program for water quality and storage; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103F.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Kunesh introduced--

S.F. No. 1038: A bill for an act relating to children; creating the Office of the Ombudsperson for American Indian Families; modifying provisions related to the American Indian community-specific board; transferring money; appropriating money; amending Minnesota Statutes 2020, sections 257.0755, subdivision 1; 257.076, subdivisions 3, 5; 257.0768, subdivisions 1, 6; 257.0769; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Kunesh, McEwen, Fateh, and Murphy introduced--

S.F. No. 1039: A bill for an act relating to state government; eliminating contracting restrictions on the legislature and executive branch based on vendor practices toward Israel; repealing Minnesota Statutes 2020, sections 3.226; 16C.053.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Howe and Duckworth introduced--

S.F. No. 1040: A bill for an act relating to labor; adding a supervisory law enforcement unit; amending Minnesota Statutes 2020, section 179A.10, subdivisions 2, 3.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Wiger, Hoffman, and Duckworth introduced--

S.F. No. 1041: A resolution memorializing the United States Government to bring home every American who is a Prisoner of War - Missing in Action.

Referred to the Committee on Veterans and Military Affairs Finance and Policy.

Senators Wiger and Hoffman introduced--

S.F. No. 1042: A bill for an act relating to transportation; amending regulation of motor vehicle height; amending Minnesota Statutes 2020, section 169.81, subdivision 1.

Referred to the Committee on Transportation Finance and Policy.

Senator Rarick introduced--

S.F. No. 1043: A bill for an act relating to economic development; appropriating money to increase the number of quality child care providers; requiring reports.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Rarick introduced--

S.F. No. 1044: A bill for an act relating to unemployment; modifying eligibility for secondary students; amending Minnesota Statutes 2020, sections 268.085, subdivision 2; 268.133.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Rarick introduced--

S.F. No. 1045: A bill for an act relating to health; limiting use of funds for state-sponsored health programs for funding abortions.

Referred to the Committee on Health and Human Services Finance and Policy.

Senators Hoffman and Rarick introduced--

S.F. No. 1046: A bill for an act relating to occupational licensing; creating the Board of Sign Language Interpreters and Transliterators; requiring licensure; authorizing rulemaking; amending Minnesota Statutes 2020, section 546.44, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 156B.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Senjem introduced--

S.F. No. 1047: A bill for an act relating to energy; authorizing a power purchase agreement for certain electric cogeneration activities; amending Minnesota Statutes 2020, section 216B.2424, by adding subdivisions.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senator Torres Ray introduced--

S.F. No. 1048: A bill for an act relating to education; prohibiting dismissals of students in kindergarten through grade 3; amending Minnesota Statutes 2020, section 121A.425.

Referred to the Committee on Education Finance and Policy.

Senator Torres Ray introduced--

S.F. No. 1049: A bill for an act relating to transportation; establishing public engagement requirements for certain trunk highway construction projects; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation Finance and Policy.

Senator Torres Ray introduced--

S.F. No. 1050: A bill for an act relating to transportation; governing deployment of certain buses in the seven-county metropolitan area based on vehicle emissions; amending Minnesota Statutes 2020, section 473.391, by adding a subdivision.

Referred to the Committee on Transportation Finance and Policy.

Senator Torres Ray introduced--

S.F. No. 1051: A bill for an act relating to natural resources; requiring report to set goals for carbon sequestration in public and private forests.

Referred to the Committee on Mining and Forestry Policy.

Senator Johnson introduced--

S.F. No. 1052: A bill for an act relating to taxation; local government aids; providing an aid penalty forgiveness to certain cities.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Kiffmeyer moved that the name of Senator Mathews be added as a co-author to S.F. No. 152. The motion prevailed.

Senator Koran moved that the name of Senator Abeler be added as a co-author to S.F. No. 266. The motion prevailed.

Senator Abeler moved that the name of Senator Fateh be added as a co-author to S.F. No. 297. The motion prevailed.

Senator Kiffmeyer moved that the name of Senator Mathews be added as a co-author to S.F. No. 301. The motion prevailed.

Senator Carlson moved that the names of Senators Westrom, Anderson, and Bigham be added as co-authors to S.F. No. 328. The motion prevailed.

Senator Dibble moved that the name of Senator Eken be added as a co-author to S.F. No. 335. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Pappas be added as a co-author to S.F. No. 361. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Pappas be added as a co-author to S.F. No. 363. The motion prevailed.

Senator Bigham moved that the name of Senator Hawj be added as a co-author to S.F. No. 376. The motion prevailed.

Senator Ingebrigtsen moved that the names of Senators Dibble, Howe, and Rarick be added as co-authors to S.F. No. 432. The motion prevailed.

Senator Chamberlain moved that the names of Senators Duckworth and Dahms be added as co-authors to S.F. No. 438. The motion prevailed.

Senator Johnson moved that the name of Senator Bigham be added as a co-author to S.F. No. 444. The motion prevailed.

Senator Senjem moved that the name of Senator Pappas be added as a co-author to S.F. No. 462. The motion prevailed.

Senator Dziejdzic moved that the name of Senator McEwen be added as a co-author to S.F. No. 491. The motion prevailed.

Senator Utke moved that the name of Senator Fateh be added as a co-author to S.F. No. 496. The motion prevailed.

Senator Senjem moved that the name of Senator Housley be added as a co-author to S.F. No. 515. The motion prevailed.

Senator Clausen moved that the name of Senator Duckworth be added as a co-author to S.F. No. 522. The motion prevailed.

Senator Torres Ray moved that the name of Senator Pappas be added as a co-author to S.F. No. 547. The motion prevailed.

Senator Clausen moved that the name of Senator Duckworth be added as a co-author to S.F. No. 677. The motion prevailed.

Senator Bigham moved that the name of Senator Hawj be added as a co-author to S.F. No. 729. The motion prevailed.

Senator Nelson moved that the name of Senator Rest be added as a co-author to S.F. No. 743. The motion prevailed.

Senator Jasinski moved that the names of Senators Coleman and Johnson Stewart be added as co-authors to S.F. No. 748. The motion prevailed.

Senator Abeler moved that the name of Senator Johnson be added as a co-author to S.F. No. 752. The motion prevailed.

Senator Abeler moved that the name of Senator Marty be added as a co-author to S.F. No. 753. The motion prevailed.

Senator Murphy moved that the names of Senators Pappas, Hawj, and Champion be added as co-authors to S.F. No. 762. The motion prevailed.

Senator Rosen moved that the name of Senator Nelson be added as a co-author to S.F. No. 776. The motion prevailed.

Senator Klein moved that the name of Senator Rest be added as a co-author to S.F. No. 778. The motion prevailed.

Senator Rosen moved that the name of Senator Nelson be added as a co-author to S.F. No. 780. The motion prevailed.

Senator Klein moved that the name of Senator Marty be added as a co-author to S.F. No. 786. The motion prevailed.

Senator Murphy moved that the name of Senator Abeler be added as a co-author to S.F. No. 795. The motion prevailed.

Senator Koran moved that the names of Senators Bigham and Wiklund be added as co-authors to S.F. No. 803. The motion prevailed.

Senator Jasinski moved that the name of Senator Howe be added as a co-author to S.F. No. 805. The motion prevailed.

Senator Hawj moved that the name of Senator Marty be added as a co-author to S.F. No. 811. The motion prevailed.

Senator Hawj moved that the name of Senator Marty be added as a co-author to S.F. No. 813. The motion prevailed.

Senator Newton moved that the name of Senator Marty be added as a co-author to S.F. No. 825. The motion prevailed.

Senator Clausen moved that the name of Senator Pappas be added as a co-author to S.F. No. 829. The motion prevailed.

Senator Clausen moved that the name of Senator Pappas be added as a co-author to S.F. No. 832. The motion prevailed.

Senator Champion moved that the names of Senators Wiklund and Putnam be added as co-authors to S.F. No. 841. The motion prevailed.

Senator Champion moved that the names of Senators Pappas and Marty be added as co-authors to S.F. No. 842. The motion prevailed.

Senator Champion moved that the name of Senator Marty be added as a co-author to S.F. No. 844. The motion prevailed.

Senator Kunesh moved that the names of Senators Marty and Fateh be added as co-authors to S.F. No. 847. The motion prevailed.

Senator Kunesh moved that the names of Senators Wiger and Isaacson be added as co-authors to S.F. No. 848. The motion prevailed.

Senator Kunesh moved that the name of Senator Torres Ray be added as a co-author to S.F. No. 849. The motion prevailed.

Senator Kunesh moved that the names of Senators Clausen, Fateh, Dziedzic, and Hawj be added as co-authors to S.F. No. 850. The motion prevailed.

Senator Kunesh moved that the names of Senators Marty, Carlson, and Pappas be added as co-authors to S.F. No. 851. The motion prevailed.

Senator Jasinski moved that the name of Senator Howe be added as a co-author to S.F. No. 852. The motion prevailed.

Senator Carlson moved that the name of Senator Marty be added as a co-author to S.F. No. 865. The motion prevailed.

Senator Carlson moved that the name of Senator Limmer be added as a co-author to S.F. No. 868. The motion prevailed.

Senator Housley moved that the names of Senators Benson, Dziedzic, and Pappas be added as co-authors to S.F. No. 874. The motion prevailed.

Senator Torres Ray moved that the names of Senators Wiklund and Hawj be added as co-authors to S.F. No. 877. The motion prevailed.

Senator Torres Ray moved that the name of Senator Pappas be added as a co-author to S.F. No. 878. The motion prevailed.

Senator Rest moved that the names of Senators Nelson and Senjem be added as co-authors to S.F. No. 888. The motion prevailed.

Senator Latz moved that the name of Senator Pappas be added as a co-author to S.F. No. 901. The motion prevailed.

Senator Latz moved that the name of Senator Pappas be added as a co-author to S.F. No. 902. The motion prevailed.

Senator Draheim moved that the name of Senator Howe be added as a co-author to S.F. No. 912. The motion prevailed.

Senator Draheim moved that the name of Senator Tomassoni be added as a co-author to S.F. No. 917. The motion prevailed.

Senator Dibble moved that the name of Senator Marty be added as a co-author to S.F. No. 935. The motion prevailed.

Senator Dibble moved that the name of Senator Marty be added as a co-author to S.F. No. 936. The motion prevailed.

Senator Nelson moved that the name of Senator Coleman be added as a co-author to S.F. No. 939. The motion prevailed.

Senator Carlson moved that the names of Senators Hawj and McEwen be added as co-authors to S.F. No. 940. The motion prevailed.

Senator Pappas moved that the names of Senators Kent, Marty, Franzen, and Klein be added as co-authors to S.F. No. 949. The motion prevailed.

Senator Port moved that the name of Senator Klein be added as a co-author to S.F. No. 963. The motion prevailed.

Senator Draheim moved that S.F. No. 910 be withdrawn from the Committee on Labor and Industry Policy and re-referred to the Committee on Housing Finance and Policy. The motion prevailed.

Senator Draheim moved that S.F. No. 915 be withdrawn from the Committee on Local Government Policy and re-referred to the Committee on Housing Finance and Policy. The motion prevailed.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Abeler moved that S.F. No. 797 be withdrawn from the Committee on Labor and Industry Policy and re-referred to the Committee on Higher Education Finance and Policy. The motion prevailed.

Pursuant to Rule 26, Senator Gazelka, Chair of the Committee on Rules and Administration, designated S.F. No. 749 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 749: A bill for an act relating to local government aid; authorizing the commissioner of revenue to adjust local government aid amounts for cities and counties with unpaid local assistance amounts; proposing coding for new law in Minnesota Statutes, chapter 477A.

Senator Murphy moved to amend S.F. No. 749 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 477A.014, is amended to read:

477A.014 COMMISSIONER'S RESPONSIBILITIES.

Subdivision 1. **Calculations and payments.** (a) The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.013 and 477A.03 under this chapter directly to the affected ~~taxing authorities~~ political subdivisions annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 1 of the year preceding the aid distribution year, unless a different date is specified.

(b) For the purposes of this subdivision, aid is determined for a city or town based on its city or town status as of June 30 of the year preceding the aid distribution year. If the effective date for a municipal incorporation, consolidation, annexation, detachment, dissolution, or township organization is on or before June 30 of the year preceding the aid distribution year, such change in boundaries or form of government shall be recognized for aid determinations for the aid distribution year. If the effective date for a municipal incorporation, consolidation, annexation, detachment, dissolution, or township organization is after June 30 of the year preceding the aid distribution year, such change in boundaries or form of government shall not be recognized for aid determinations until the following year.

(c) Changes in boundaries or form of government will only be recognized for the purposes of this subdivision, to the extent that: (1) changes in market values are included in market values

reported by assessors to the commissioner, and changes in population and household size are included in their respective certifications to the commissioner as referenced in section 477A.011, or (2) an annexation information report as provided in paragraph (d) is received by the commissioner on or before July 15 of the aid calculation year. Revisions to estimates or data for use in recognizing changes in boundaries or form of government are not effective for purposes of this subdivision unless received by the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and data established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under subdivision 3.

(d) In the case of an annexation, an annexation information report may be completed by the annexing jurisdiction and submitted to the commissioner for purposes of this subdivision if the net tax capacity of annexed area for the assessment year preceding the effective date of the annexation exceeds five percent of the city's net tax capacity for the same year. The form and contents of the annexation information report shall be prescribed by the commissioner. The commissioner shall change the net tax capacity, the population, the population decline, the commercial industrial percentage, and the transformed population for the annexing jurisdiction only if the annexation information report provides data the commissioner determines to be reliable for all of these factors used to compute city revenue need for the annexing jurisdiction. The commissioner shall adjust the pre-1940 housing percentage and household size only if the entire area of an existing city or town is annexed or consolidated and only if reliable data is available for all of these factors used to compute city revenue need for the annexing jurisdiction.

Subd. 2. **Errors.** A ~~taxing authority~~ political subdivision may object to the commissioner of revenue with respect to the amount of the distribution it has been certified to receive pursuant to ~~subdivision 1~~ any section under this chapter. No objection shall be raised later than 60 days after the ~~taxing authority~~ political subdivision has received notice from the commissioner of the amount which it has been certified to receive.

Subd. 3. **Aid amount and payment correction.** (a) If, due to an error in the factors used to calculate a ~~taxing authority's~~ political subdivision's aid pursuant to ~~any section 477A.013~~ under this chapter, the amount indicated in the certification of the commissioner to ~~the taxing authority a~~ political subdivision for a year ~~is less than~~ does not equal the amount to which it is entitled ~~pursuant to this section~~, the commissioner of revenue ~~shall~~ must recertify the aid. The commissioner must use the recertified amounts, before any adjustments under paragraph (b), for any subsequent calculations under this chapter that rely on prior year calculations.

(b) The commissioner must additionally distribute the amount necessary to make the full correct distribution to the taxing authority any political subdivision originally certified an amount less than the amount to which it is entitled. The Any additional distribution shall distribution must be paid from the general fund and shall not diminish the distributions made to other taxing authorities under this section. If the recertified amount is less than the amount originally certified to the political subdivision, the commissioner must pay the amount that was originally certified. The commissioner of revenue must deduct the difference between the originally certified amount and the recertified amount from the aid payable in the next subsequent year.

(c) If, after the adjustments in paragraph (b), the amount paid to a political subdivision pursuant to any section under this chapter does not equal the amount to which it is entitled, the commissioner of revenue must distribute or collect the amount necessary to correct the distribution received by

the political subdivision. The commissioner of revenue may establish a payment plan with a political subdivision that was overpaid, but in no event may the commissioner require more than 12 installments annually, and the payment plan must not be for more than five years. Any additional distribution under this paragraph must be made from the general fund. No payment discrepancies may be raised later than three years after the political subdivision received the disputed payment.

EFFECTIVE DATE. This section is effective for aids payable in 2022 and thereafter."

Amend the title accordingly

Senator Murphy moved to amend the Murphy amendment to S.F. No. 749 as follows:

Page 3, after line 10, insert:

"Sec. 2. [477A.0177] RESOLUTION OF DISPUTES FOR UNPAID LOCAL ASSISTANCE AMOUNTS.

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

(b) "City" has the meaning given in section 477A.011.

(c) "Local government" means a county or a city.

(d) "Unpaid amount" means an amount that is owed to a local government by another local government under section 12.331, subdivision 2, or an amount that is owed to a local government by another local government under the terms of a written mutual aid agreement under section 12.27. Unpaid amount does not include:

(1) an amount attributable to local assistance activities occurring before January 1, 2021;

(2) an amount under a written mutual aid agreement that specifies a schedule for payment of amounts due; or

(3) an amount reimbursed by the state under section 12.33, subdivision 4.

Subd. 2. **Resolution of disputes.** Disputes resulting from an unpaid amount shall be resolved through the Office of Collaboration and Dispute Resolution under section 179.90, which assists local governments in resolving disputes."

The question was taken on the adoption of the Murphy amendment to the Murphy amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Bakk	Dziedzic	Hoffman	Marty	Rest
Bigham	Eaton	Isaacson	McEwen	Tomassoni
Carlson	Eken	Johnson Stewart	Murphy	Torres Ray
Champion	Fateh	Kent	Newton	Wiger
Clausen	Franzen	Klein	Pappas	Wiklund
Cwodzinski	Frentz	Kunesh	Port	
Dibble	Hawj	Latz	Putnam	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Isaacson, Klein, Latz, Marty, McEwen, Newton, Pappas, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Ingebrigtsen	Mathews	Rosen
Anderson	Duckworth	Jasinski	Miller	Ruud
Benson	Eichorn	Johnson	Nelson	Senjem
Chamberlain	Gazelka	Kiffmeyer	Newman	Utke
Coleman	Goggin	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Dornink	Howe	Limmer	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Eichorn, Lang, and Osmek.

The motion did not prevail. So the amendment to the amendment was not adopted.

Senator Johnson questioned whether the first Murphy amendment was germane.

The President ruled that the amendment was not germane.

Senator Rest appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 36 and nays 31, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Eichorn, Lang, and Osmek.

Those who voted in the negative were:

Bigham	Eaton	Isaacson	McEwen	Torres Ray
Carlson	Eken	Johnson Stewart	Murphy	Wiger
Champion	Fatch	Kent	Newton	Wiklund
Clausen	Franzen	Klein	Pappas	
Cwodzinski	Frentz	Kunesh	Port	
Dibble	Hawj	Latz	Putnam	
Dziedzic	Hoffman	Marty	Rest	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Isaacson, Klein, Latz, Marty, McEwen, Newton, Pappas, and Wiklund.

So the decision of the President was sustained.

Senator Dziedzic moved to amend S.F. No. 749 as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2020, section 477A.014, is amended to read:

477A.014 COMMISSIONER'S RESPONSIBILITIES.

Subdivision 1. **Calculations and payments.** (a) The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.013 and 477A.03 under this chapter directly to the affected ~~taxing authorities~~ political subdivisions annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 1 of the year preceding the aid distribution year, unless a different date is specified.

(b) For the purposes of this subdivision, aid is determined for a city or town based on its city or town status as of June 30 of the year preceding the aid distribution year. If the effective date for a municipal incorporation, consolidation, annexation, detachment, dissolution, or township organization is on or before June 30 of the year preceding the aid distribution year, such change in boundaries or form of government shall be recognized for aid determinations for the aid distribution year. If the effective date for a municipal incorporation, consolidation, annexation, detachment, dissolution, or township organization is after June 30 of the year preceding the aid distribution year, such change in boundaries or form of government shall not be recognized for aid determinations until the following year.

(c) Changes in boundaries or form of government will only be recognized for the purposes of this subdivision, to the extent that: (1) changes in market values are included in market values reported by assessors to the commissioner, and changes in population and household size are included in their respective certifications to the commissioner as referenced in section 477A.011, or (2) an annexation information report as provided in paragraph (d) is received by the commissioner on or before July 15 of the aid calculation year. Revisions to estimates or data for use in recognizing changes in boundaries or form of government are not effective for purposes of this subdivision unless received by the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and data established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under subdivision 3.

(d) In the case of an annexation, an annexation information report may be completed by the annexing jurisdiction and submitted to the commissioner for purposes of this subdivision if the net tax capacity of annexed area for the assessment year preceding the effective date of the annexation exceeds five percent of the city's net tax capacity for the same year. The form and contents of the annexation information report shall be prescribed by the commissioner. The commissioner shall change the net tax capacity, the population, the population decline, the commercial industrial percentage, and the transformed population for the annexing jurisdiction only if the annexation information report provides data the commissioner determines to be reliable for all of these factors used to compute city revenue need for the annexing jurisdiction. The commissioner shall adjust the pre-1940 housing percentage and household size only if the entire area of an existing city or town

is annexed or consolidated and only if reliable data is available for all of these factors used to compute city revenue need for the annexing jurisdiction.

Subd. 2. **Errors.** A ~~taxing authority~~ political subdivision may object to the commissioner of revenue with respect to the amount of the distribution it has been certified to receive pursuant to ~~subdivision 1~~ any section under this chapter. No objection shall be raised later than 60 days after the ~~taxing authority~~ political subdivision has received notice from the commissioner of the amount which it has been certified to receive.

Subd. 3. **Aid amount and payment correction.** (a) If, due to an error in the factors used to calculate a ~~taxing authority's~~ political subdivision's aid pursuant to ~~any section 477A.013~~ under this chapter, the amount indicated in the certification of the commissioner to ~~the taxing authority a~~ political subdivision for a year ~~is less than~~ does not equal the amount to which it is entitled ~~pursuant to this section~~, the commissioner of revenue ~~shall~~ must recertify the aid. The commissioner must use the recertified amounts, before any adjustments under paragraph (b), for any subsequent calculations under this chapter that rely on prior year calculations.

(b) The commissioner must additionally distribute the amount necessary to make the full correct distribution to ~~the taxing authority~~ any political subdivision originally certified an amount less than the amount to which it is entitled. ~~The Any additional distribution shall~~ distribution must be paid from the general fund and shall not diminish the distributions made to other taxing authorities under this section. If the recertified amount is less than the amount originally certified to the political subdivision, the commissioner must pay the amount that was originally certified. The commissioner of revenue must deduct the difference between the originally certified amount and the recertified amount from the aid payable in the next subsequent year.

(c) If, after the adjustments in paragraph (b), the amount paid to a political subdivision pursuant to any section under this chapter does not equal the amount to which it is entitled, the commissioner of revenue must distribute or collect the amount necessary to correct the distribution received by the political subdivision. The commissioner of revenue may establish a payment plan with a political subdivision that was overpaid, but in no event may the commissioner require more than 12 installments annually, and the payment plan must not be for more than five years. Any additional distribution under this paragraph must be made from the general fund. No payment discrepancies may be raised later than three years after the political subdivision received the disputed payment.

EFFECTIVE DATE. This section is effective for aids payable in 2022 and thereafter."

Page 1, line 6, delete "ADJUSTMENT" and insert "RESOLUTION OF DISPUTES"

Page 1, delete subdivision 2 and insert:

"Subd. 2. **Resolution of disputes.** Disputes resulting from an unpaid amount shall be resolved through the Office of Collaboration and Dispute Resolution under section 179.90, which assists local governments in resolving disputes."

Page 2, delete subdivisions 3 and 4

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Dzierdzic moved to amend the Dzierdzic amendment to S.F. No. 749 as follows:

Page 1, after line 2, insert:

"Section 1. Minnesota Statutes 2020, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) In calendar year 2018 and thereafter, if a city's certified aid before any aid adjustment under subdivision 13 for the previous year is less than its current unmet need, the city shall receive an aid distribution equal to the sum of (1) its certified aid in the previous year before any aid adjustment under subdivision 13, (2) the city formula aid under subdivision 8, and (3) its aid adjustment under subdivision 13.

(b) For aids payable in ~~2020~~ 2022 only, no city's aid amount before any adjustment under subdivision 13 may be less than its pay ~~2019~~ 2021 certified aid amount, less any aid adjustment under subdivision 13 for that year. For aids payable in ~~2020~~ 2022 and thereafter, if a city's certified aid before any aid adjustment under subdivision 13 for the previous year is equal to or greater than its current unmet need, the total aid for a city is equal to the greater of (1) its unmet need plus any aid adjustment under subdivision 13, or (2) the amount it was certified to receive in the previous year minus the sum of (i) any adjustment under subdivision 13 that was paid in the previous year but has expired, and (ii) the lesser of \$10 multiplied by its population, or five percent of its net levy in the year prior to the aid distribution. No city may have a total aid amount less than \$0.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2022 and thereafter."

Page 3, after line 16, insert:

"Page 2, after line 30, insert:

"Sec. 4. Minnesota Statutes 2020, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** For aids payable in 2016 and 2017, the total aid paid under section 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in 2021 ~~and thereafter~~, the total aid payable under section 477A.013, subdivision 9, is \$564,398,012. For aids payable in 2022 and thereafter, the total aid payable under section 477A.013, subdivision 9, is \$758,028,430.

EFFECTIVE DATE. This section is effective for aids payable in 2022 and thereafter.

Sec. 5. Minnesota Statutes 2020, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 ~~through 2024~~, the total aid payable under section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000

shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2022 through 2024, the total aid payable under section 477A.0124, subdivision 3, is \$122,268,850, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~\$115,795,000~~ \$119,268,850. Each calendar year, \$500,000 of this appropriation shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 ~~and thereafter~~, the total aid under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2022 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$150,249,647. The commissioner of revenue shall transfer to the commissioner of management and budget \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

EFFECTIVE DATE. This section is effective for aids payable in 2022 and thereafter. ""

Renumber the sections in sequence and correct the internal references

Senator Johnson questioned whether the amendment to the amendment was germane.

The President ruled that the amendment to the amendment was not germane.

Senator Rest appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 36 and nays 31, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Eichorn, Lang, Osmek, and Rosen.

Those who voted in the negative were:

Bigham	Eaton	Isaacson	McEwen	Torres Ray
Carlson	Eken	Johnson Stewart	Murphy	Wiger
Champion	Fateh	Kent	Newton	Wiklund
Clausen	Franzen	Klein	Pappas	
Cwodzinski	Frentz	Kunesh	Port	
Dibble	Hawj	Latz	Putnam	
Dziedzic	Hoffman	Marty	Rest	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Isaacson, Klein, Latz, Marty, McEwen, Newton, Pappas, and Wiklund.

So the decision of the President was sustained.

Senator Dziedzic withdrew her first amendment.

S.F. No. 749 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 35 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Mathews	Rosen
Anderson	Duckworth	Jasinski	Miller	Ruud
Benson	Eichorn	Johnson	Nelson	Senjem
Chamberlain	Gazelka	Kiffmeyer	Newman	Tomassoni
Coleman	Goggin	Koran	Osmek	Utke
Dahms	Housley	Lang	Pratt	Weber
Dornink	Howe	Limmer	Rarick	Westrom

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Eichorn, Lang, and Osmek.

Those who voted in the negative were:

Bakk	Dziedzic	Hoffman	Marty	Rest
Bigham	Eaton	Isaacson	McEwen	Torres Ray
Carlson	Eken	Johnson Stewart	Murphy	Wiger
Champion	Fateh	Kent	Newton	Wiklund
Clausen	Franzen	Klein	Pappas	
Cwodzinski	Frentz	Kunesh	Port	
Dibble	Hawj	Latz	Putnam	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Franzen, Isaacson, Klein, Latz, Marty, McEwen, Newton, Pappas, and Wiklund.

So the bill passed and its title was agreed to.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 12:00 noon, Wednesday, February 17, 2021. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

