

## THIRTY-FOURTH DAY

St. Paul, Minnesota, Thursday, April 8, 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	Ruud
Bakk	Dziedzic	Isaacson	McEwen	Senjem
Benson	Eaton	Jasinski	Miller	Tomassoni
Bigham	Eichorn	Johnson	Murphy	Torres Ray
Carlson	Eken	Johnson Stewart	Nelson	Utke
Chamberlain	Fateh	Kent	Newman	Weber
Champion	Franzen	Kiffmeyer	Newton	Westrom
Clausen	Frentz	Klein	Osmek	Wiger
Coleman	Gazelka	Koran	Pappas	Wiklund
Cwodzinski	Goggin	Kunesh	Port	
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Bigham, Carlson, Champion, Clausen, Coleman, Dibble, Dziedzic, Eaton, Eken, Fateh, Isaacson, Jasinski, Klein, Kunesh, Latz, Marty, Nelson, Newman, Newton, Osmek, Putnam, Senjem, Torres Ray, and Wiklund.

The President declared a quorum present.

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

**S.F. No. 971:** A bill for an act relating to state government; appropriating money from clean water, parks and trails, and arts and cultural heritage funds; modifying and extending prior appropriations; requiring reports.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**OUTDOOR HERITAGE FUND**

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2022, and June 30, 2023, respectively. The "first year" is fiscal year 2022. The "second year" is fiscal year 2023. The "biennium" is fiscal years 2022 and 2023. The appropriations in this article are onetime appropriations.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2022</u></b>	<b><u>2023</u></b>

Sec. 2. **OUTDOOR HERITAGE FUND**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>127,837,000</u></b>	<b><u>\$</u></b>	<b><u>557,000</u></b>
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This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

<b><u>Subd. 2. Prairies</u></b>		<b><u>42,784,000</u></b>		<b><u>-0-</u></b>
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**(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase XIII**

\$1,948,000 the first year is to the commissioner of natural resources to acquire in fee and restore and enhance lands for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8, and

to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(b) Accelerating Wildlife Management Area Program, Phase XIII**

\$4,715,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance lands for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(c) Minnesota Prairie Recovery Project, Phase XI**

\$2,794,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee and restore and enhance native prairie, grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days after The Nature

Conservancy's fiscal year closes. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. Land acquisitions must be consistent with the priorities identified in the Minnesota Prairie Conservation Plan.

**(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition, Phase XII**

\$3,280,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee or permanent conservation easements and restore and enhance lands in the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. Land acquisitions must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

**(e) Cannon River Watershed Habitat Complex, Phase X**

\$2,623,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land, in cooperation with Great River Greening and the Cannon River Watershed Partnership, to acquire land in fee in the Cannon River watershed for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8; to acquire land in fee for aquatic management purposes under Minnesota Statutes, section 86A.05, subdivision 14; to acquire land in fee for scientific and natural areas under Minnesota

Statutes, section 86A.05, subdivision 5; to acquire land in fee for state forests under Minnesota Statutes, section 86A.05, subdivision 7, and county forests; and to restore and enhance lands in the Cannon River watershed. Of this amount, \$1,784,000 is to The Trust for Public Land; \$687,000 is to Great River Greening; and \$152,000 is to the Cannon River Watershed Partnership. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions and restorations must be provided as part of the required accomplishment plan.

**(f) Accelerated Native Prairie Bank Protection, Phase VIII**

\$884,000 the first year is to the commissioner of natural resources to acquire permanent conservation easements to protect and restore native prairie according to the Minnesota Prairie Conservation Plan. Of this amount, up to \$120,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

**(g) RIM Buffers for Wildlife and Water, Phase IX**

\$4,170,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore habitat under Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat, including by expanding the

riparian buffer and floodplain program under the clean water fund for wildlife benefits from buffers on private land. Of this amount, up to \$195,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

**(h) Prairie Chicken Habitat Partnership of Southern Red River Valley, Phase VII**

\$2,264,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and to restore and enhance lands in the southern Red River Valley for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(i) Accelerating USFWS Habitat Conservation Easement Program, Phase III**

\$4,752,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited, in cooperation with Pheasants Forever and the United States Fish and Wildlife Service, to acquire permanent conservation working lands easements and to restore wetlands and prairie grasslands. Of this amount, \$3,153,000 is to Ducks Unlimited and \$1,599,000 is to Pheasants Forever. A list of

proposed acquisitions and restorations must be provided as part of the required accomplishment plan.

**(j) Martin County DNR WMA Acquisition, Phase**

**V**

\$2,864,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and restore and enhance strategic prairie grassland, wetland, and other wildlife habitat in Martin and Watonwan counties for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8, as follows: \$2,181,000 to Fox Lake Conservation League, Inc; \$592,000 to Ducks Unlimited; and \$91,000 to the Conservation Fund. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

**(k) RIM Grasslands Reserve, Phase III**

\$4,354,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore and enhance grassland habitat under Minnesota Statutes, sections 103F.501 to 103F.531. Of this amount, up to \$91,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

**(l) DNR Grassland Enhancement, Phase XIII**

\$3,534,000 the first year is to the commissioner of natural resources to accelerate the restoration and enhancement of prairies, grasslands, and savannas in wildlife management areas, in scientific and natural areas, in aquatic management areas, on lands in the native prairie bank, in bluff prairies on state forest land in southeastern Minnesota, and in waterfowl production areas and refuge lands of the United States Fish

and Wildlife Service. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

**(m) Enhanced Public Land - Grasslands, Phase V**

\$1,951,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore grassland and wetland habitat on public lands. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

**(n) Anoka Sand Plain Habitat Conservation, Phase VII**

\$2,651,000 the first year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance wildlife habitat on public lands and easements in the Anoka Sand Plain ecoregion and intersecting minor watersheds as follows: \$418,000 is to the Anoka Conservation District; \$700,000 is to Great River Greening; \$233,000 is to The Nature Conservancy; and \$1,300,000 is to Minnesota Land Trust, of which up to \$168,000 to Minnesota Land Trust is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

Subd. 3. Forests

12,476,000

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**(a) Southeast Minnesota Protection and Restoration, Phase IX**

\$4,068,000 the first year is to the commissioner of natural resources for agreements as follows: (1) \$1,294,000 to The

Nature Conservancy to acquire lands in fee for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8; for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; for state forests under Minnesota Statutes, section 86A.05, subdivision 7; for aquatic management areas under Minnesota Statutes, section 86A.05, subdivision 14; and to restore and enhance wildlife habitat; (2) \$1,393,000 to The Trust for Public Land to acquire lands in fee for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8; for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; for state forests under Minnesota Statutes, section 86A.05, subdivision 7; and for aquatic management areas under Minnesota Statutes, section 86A.05, subdivision 14; and (3) \$1,381,000 to Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance wildlife habitat, of which up to \$168,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(b) Minnesota Forests for the Future, Phase VIII**

\$2,971,000 the first year is to the commissioner of natural resources to acquire lands in conservation easements and to restore and enhance forests, wetlands, and shoreline habitat through working forest permanent conservation easements under the Minnesota forests for the future program according to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with Minnesota Statutes, section 97A.056, subdivision 13. The accomplishment plan must include an easement monitoring and enforcement plan. Of this amount, up to \$160,000 is for

establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. A list of permanent conservation easements must be provided as part of the final report.

**(c) Camp Ripley Sentinel Landscape ACUB Protection Program, Phase IX**

\$1,043,000 the first year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and restore and enhance forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Sentinel Landscape and Army Compatible Use Buffer. Up to \$59,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

**(d) DNR Forest Habitat Enhancement, Phase II**

\$1,338,000 the first year is to the commissioner of natural resources to restore and enhance wildlife habitat in the northern forest region on wildlife management areas, scientific and natural areas, aquatic management areas, and state forests. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

**(e) Floodplain Forest Enhancement, Phase IV**

\$1,247,000 the first year is to the commissioner of natural resources for an agreement with the National Audubon Society to restore and enhance floodplain forest habitat for wildlife on public lands along the Mississippi River and Mississippi

River tributaries. A list of restorations and enhancements must be provided as part of the required accomplishment plan.

**(f) Moose Habitat Collaborative - NE MN Forest Habitat Enhancement, Phase IV**

\$1,809,000 the first year is to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to restore and enhance public forest lands in the northern forest region for moose habitat purposes. A list of proposed land restoration and enhancements must be provided as part of the required accomplishment plan.

**Subd. 4. Wetlands**

22,389,000

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**(a) Accelerating Waterfowl Production Area Acquisition Program, Phase XIII**

\$3,869,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee and restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(b) Shallow Lake and Wetland Protection and Restoration Program, Phase X**

\$4,581,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8, and to restore and enhance prairie lands, wetlands, and land buffering shallow lakes. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

**(c) RIM Wetlands, Phase X**

\$3,051,000 the first year is to the Board of Water and Soil Resources to acquire

permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$59,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

**(d) Wetland Habitat Protection and Restoration Program, Phase VI**

\$3,088,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and restore and enhance prairie, wetland, and other habitat on permanently protected conservation easements in high-priority wetland habitat complexes in the prairie and forest/prairie transition regions. Of this amount, up to \$288,000 is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed conservation easement acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

**(e) Wild Rice Shoreland Protection, Phase VI**

\$1,251,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements on shoreland habitat of wild-rice lakes for protecting native wild rice beds. Of this amount, up to \$78,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

**(f) Accelerated Shallow Lakes and Wetland Enhancement, Phase XII**

\$2,589,000 the first year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

**(g) Living Shallow Lake Enhancement and Wetland Restoration Initiative, Phase VII**

\$3,960,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easements for wildlife management. A list of proposed shallow lake enhancements and wetland restorations must be provided as part of the required accomplishment plan.

**Subd. 5. Habitats**

49,254,000

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**(a) St. Croix Watershed Habitat Protection and Restoration, Phase II**

\$3,112,000 the first year is to the commissioner of natural resources for agreements as follows: (1) \$1,494,000 to The Trust for Public Land to acquire land in fee; (2) \$1,493,000 to Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River watershed. Of this amount, up to \$144,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17; and (3) \$125,000 to the St. Croix River Association to coordinate and administer the program under this paragraph. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

**(b) Metro Big Rivers, Phase XI**

\$4,229,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries in the metropolitan area as follows: \$675,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$220,000 to Friends of the Mississippi River; \$684,000 to Great River Greening; \$800,000 to The Trust for Public Land; and \$1,850,000 to Minnesota Land Trust, of which up to \$192,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

**(c) Lower Otter Tail River Corridor Habitat Restoration, Phase I**

\$2,335,000 the first year is to the Board of Water and Soil Resources to acquire and restore land in permanent conservation easements along the lower Otter Tail River. Of this amount, \$275,000 is for an agreement with the Buffalo Red River Watershed District. Up to \$111,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

**(d) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes, Phase VII**

\$2,838,000 the first year is to the commissioner of natural resources for

agreements to acquire land in fee and in permanent conservation easements and to restore and enhance wildlife habitat to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard counties as follows: \$975,000 to Northern Waters Land Trust; and \$1,863,000 to Minnesota Land Trust, of which up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of acquisitions must be provided as part of the required accomplishment plan.

**(e) Mississippi Headwaters Habitat Corridor Project, Phase V**

\$2,901,000 the first year is to acquire land in fee and permanent conservation easements and restore wildlife habitat in the Mississippi River headwaters. Of this amount, \$1,421,000 is to the Board of Water and Soil Resources, of which up to \$150,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17, and \$1,480,000 is to the commissioner of natural resources for agreements as follows: \$60,000 to the Mississippi Headwaters Board and \$1,420,000 to The Trust for Public Land. A list of proposed fee-title acquisitions must be included as part of the required accomplishment plan. A list of permanent conservation easements must be provided as part of the final report.

**(f) Protecting Minnesota's Lakes of Outstanding Biological Significance**

\$1,477,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire land in permanent conservation easements and to restore and enhance lakes of outstanding biological significance in

northeast and north-central Minnesota. Of this amount, up to \$168,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

**(g) Riparian Habitat Protection in Kettle and Snake River Watersheds**

\$1,435,000 the first year is to the Board of Water and Soil Resources to acquire and restore land in permanent conservation easements of high-quality forest, wetland, and shoreline habitat in the Kettle and Snake River watersheds. Of this amount, \$31,000 is for an agreement with the Pine County Soil and Water Conservation District. Up to \$72,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

**(h) DNR Trout Stream Conservation Easements**

\$500,000 the first year is to the commissioner of natural resources to acquire land in permanent conservation easements to protect trout stream aquatic habitat. Of this amount, up to \$65,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the required accomplishment plan.

**(i) Targeted RIM Easement Program to Individual Parcel: Pine and Leech Watersheds, Phase II**

\$1,609,000 the first year is to acquire and restore land in fee and permanent conservation easements of high-quality forest, wetland, and shoreline habitat. Of this

amount, \$1,065,000 is to the commissioner of natural resources for an agreement with the Crow Wing County Soil and Water Conservation District and \$544,000 is to the Board of Water and Soil Resources. Up to \$26,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be included as part of the final report.

**(j) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration, Phase XIII**

\$1,033,000 the first year is to the commissioner of natural resources for an agreement with Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams in Minnesota. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

**(k) DNR Aquatic Habitat Restoration and Enhancement, Phase IV**

\$2,790,000 the first year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

**(l) St. Louis River Restoration Initiative, Phase VIII**

\$2,024,000 the first year is to the commissioner of natural resources to restore and enhance priority aquatic, riparian, and forest habitats in the St. Louis River estuary. Of this amount, up to \$500,000 is for an agreement with Minnesota Land Trust. A list of proposed restorations must be provided as part of the required accomplishment plan.

**(m) Shell Rock River Watershed Habitat Restoration Program, Phase X**

\$1,547,000 the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee and to restore and enhance wildlife habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

**(n) Knife River Habitat Rehabilitation, Phase VI**

\$467,000 the first year is to the commissioner of natural resources for an agreement with Zeitgeist, a nonprofit corporation, in cooperation with the Lake Superior Steelhead Association, to restore and enhance trout habitat in the Knife River watershed. A list of proposed enhancements must be provided as part of the required accomplishment plan.

**(o) Sauk River Watershed Habitat Protection and Restoration, Phase III**

\$4,034,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance wildlife habitat in the Sauk River watershed as follows: \$1,034,000 to Sauk River Watershed District; \$1,618,000 to Pheasants Forever; and \$1,382,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of acquisitions must be provided as part of the required accomplishment plan.

**(p) Klondike Clean Water Retention Project, Phase I**

\$1,973,000 the first year is to the commissioner of natural resources for an

agreement with the Two Rivers Watershed District to construct a multipurpose water impoundment project in Kittson and Roseau Counties to provide fish and wildlife habitat. A list of restoration and enhancement projects must be provided as part of the required accomplishment plan.

**(g) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat, Phase XIII**

\$10,450,000 the first year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, at least \$2,400,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of the total appropriation, \$475,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat

projects. For grant requests to acquire land in fee or a conservation easement, the commissioner must give priority to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement or public ownership, or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2025. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

**(r) DNR Roving Crews**

\$4,500,000 the first year is to the commissioner of natural resources to restore and enhance fish and wildlife habitat on permanently protected lands statewide using the roving crew program of the Department of Natural Resources. A list of restoration and enhancement projects must be provided as part of the required accomplishment plan.

**Subd. 6. Administration**934,000557,000**(a) Contract Management**

\$210,000 the first year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan.

**(b) Legislative Coordinating Commission**

\$546,000 the first year and \$553,000 the second year are to the Legislative Coordinating Commission for administrative expenses of the Lessard-Sams Outdoor Heritage Council and for compensating and reimbursing expenses of council members. This appropriation is available until June 30, 2023. Minnesota Statutes, section 16A.281, applies to this appropriation.

**(c) Technical Evaluation Panel**

\$150,000 the first year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 25 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

**(d) Legacy Website**

\$3,000 the first year and \$4,000 the second year are to the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

**(e) High-Priority Pre-Transaction Service Acceleration for Lessard-Sams Outdoor Heritage Council**

\$25,000 the first year is to the commissioner of natural resources to provide land acquisition pre-transaction services including but not limited to appraisals, surveys, or title research for acquisition proposals under consideration by the Lessard-Sams Outdoor Heritage Council. A list of activities must be included in the final accomplishment plan.

**Subd. 7. Availability of Appropriation**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. For acquiring real property, the amounts in this section are available until June 30, 2025. Money for restoration or enhancement is available until June 30, 2026. Money for restoration and enhancement of land acquired with an appropriation in this article is available for four years after the acquisition date with a maximum end date of June 30, 2029. If a project receives at least 15 percent of its funding from federal funds, the time of the appropriation may be extended to equal the availability of federal funding to a maximum of six years if the federal funding was confirmed and included in the original approved draft accomplishment plan. Money appropriated for acquiring land in fee title may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

**Subd. 8. Payment Conditions and Capital Equipment Expenditures**

All agreements referred to in this section must be administered on a reimbursement

basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2021, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice or binding agreement with the landowner and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash-flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

**Subd. 9. Mapping**

Each direct recipient of money appropriated in this section and each recipient of a grant awarded pursuant to this section must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing

public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

**Subd. 10. Carryforwards**

(a) The availability of the appropriations for the following projects is extended to June 30, 2022:

(1) Laws 2016, chapter 172, article 1, section 2, subdivision 2, paragraph (j), for Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VIII;

(2) Laws 2016, chapter 172, article 1, section 2, subdivision 2, paragraph (k), for Anoka Sandplain Habitat Restoration and Enhancement - Phase IV;

(3) Laws 2016, chapter 172, article 1, section 2, subdivision 5, paragraph (h), for Sand Hill River Fish Passage - Phase II;

(4) Laws 2018, chapter 208, article 1, section 2, subdivision 2, paragraph (j), for Protect and Restore Minnesota's Important Bird Areas - Phase II, within the Tallgrass Aspen Parklands;

(5) Laws 2018, chapter 208, article 1, section 2, subdivision 3, paragraph (c), for Minnesota Forests for the Future - Phase VI;

(6) Laws 2016, chapter 172, article 1, section 2, subdivision 5, paragraph (b), for Metro Big Rivers Habitat - Phase VII; and

(7) Laws 2018, chapter 208, article 1, section 2, subdivision 5, paragraph (b), for Mississippi Headwaters Habitat Corridor Project - Phase IV.

(b) The availability of the appropriations for the following projects is extended to June 30, 2023:

(1) Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2,

paragraph (j), for Wild Rice River Corridor Habitat Restoration;

(2) Laws 2016, chapter 172, article 1, section 2, subdivision 5, paragraph (e), for Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase VIII;

(3) Laws 2016, chapter 172, article 1, section 2, subdivision 5, paragraph (j), for Roseau Lake Rehabilitation;

(4) Laws 2017, chapter 91, article 1, section 2, subdivision 5, paragraph (c), for Goose Prairie;

(5) Laws 2017, chapter 91, article 1, section 2, subdivision 5, paragraph (d), for Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase IX;

(6) Laws 2018, chapter 208, article 1, section 2, subdivision 2, paragraph (f), for Accelerated Native Prairie Bank Protection - Phase VII;

(7) Laws 2018, chapter 208, article 1, section 2, subdivision 2, paragraph (k), for Grassland Conservation Partnership - Phase III;

(8) Laws 2018, chapter 208, article 1, section 2, subdivision 3, paragraph (e), for Critical Shoreland Habitat Program - Phase V;

(9) Laws 2018, chapter 208, article 1, section 2, subdivision 5, paragraph (c), for Fisheries Habitat Protection on Strategic North Central Minnesota Lakes - Phase IV;

(10) Laws 2018, chapter 208, article 1, section 2, subdivision 5, paragraph (g), for Hennepin County Habitat Conservation Program; and

(11) Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 2, paragraph (e), for Lower Wild Rice Corridor Habitat Restoration - Phase II.

(c) The availability of the appropriation in Laws 2014, chapter 256, article 1, section 2, subdivision 5, paragraph (e), for Mustinka River Fish and Wildlife Habitat Corridor Rehabilitation, is extended to June 30, 2024.

**Subd. 11. Extension of Certain Appropriations**

(a) Notwithstanding Minnesota Statutes, section 16A.28, or any other law to the contrary, the availability of any appropriation or grant of money from the outdoor heritage fund that would otherwise cancel, lapse, or expire on June 30, 2021, is extended to June 30, 2022, if the recipient or grantee does both of the following:

(1) by June 30, 2021, notifies the Lessard-Sams Outdoor Heritage Council in the manner specified by the council that the recipient or grantee intends to avail itself of the extension available under this subdivision; and

(2) modifies the applicable accomplishment plan in accordance with the council's accomplishment plan modification procedures.

(b) The council must notify the commissioner of management and budget and the commissioner of natural resources of any extension granted under this subdivision.

**EFFECTIVE DATE.** Subdivision 10 is effective retroactively from July 1, 2019, for projects funded under Laws 2016, chapter 172.

Sec. 3. Minnesota Statutes 2020, section 97A.056, subdivision 9, is amended to read:

Subd. 9. **Lands in public domain.** (a) Money appropriated from the outdoor heritage fund shall not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state of Minnesota or a political subdivision of the state; unless: owns the land in fee or if the land is wholly or partially subject to a conservation easement.

(b) Paragraph (a) does not apply if:

(1) the purchase creates additional direct benefit to protect, restore, or enhance the state's wetlands, prairies, forests, or habitat for fish, game, and wildlife; and

(2) the purchase is approved by an affirmative vote of at least nine members of the council; or

(2) the purchase is for land that is partially subject to a conservation easement and no money appropriated from the outdoor heritage fund is used to pay the purchase price for the portion of land that is subject to the easement. Nothing in this clause prohibits the use of money appropriated from the outdoor heritage fund to pay for costs and other expenses associated with the acquisition of the land as part of the larger acquisition.

(c) For purposes of this subdivision, "conservation easement" means a conservation easement as defined in section 84C.01.

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

Sec. 4. Laws 2020, chapter 104, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. **Habitats** -0- 55,429,000

**(a) Protecting Coldwater Fisheries on Minnesota's North Shore**

\$1,809,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance wildlife habitat in priority coldwater tributaries to Lake Superior. Of this amount, up to \$144,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed conservation easement acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

**(b) Metro Big Rivers - Phase X**

\$6,473,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries in the metropolitan area. Of this amount, \$801,000 is to Minnesota Valley National Wildlife Refuge Trust Inc., \$300,000 is to Friends of the Mississippi River, \$366,000 is to Great River Greening, \$3,406,000 is to The Trust for Public Land, and \$1,600,000

is to Minnesota Land Trust. Up to \$144,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

**(c) Resilient Habitat for Heritage Brook Trout**

\$2,266,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance habitat in targeted watersheds of southeast Minnesota to improve heritage brook trout and coldwater communities. Of this amount, \$350,000 is to The Nature Conservancy, \$258,000 is to Trout Unlimited, \$857,000 is to The Trust for Public Land, and \$801,000 is to Minnesota Land Trust. Up to \$96,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

**(d) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes - Phase VI**

\$2,814,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance wildlife habitat to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties. Of this amount, \$883,000 is to Northern Waters Land Trust and \$1,931,000 is to Minnesota Land Trust. Up to \$192,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as

approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of acquisitions must be provided as part of the required accomplishment plan.

**(e) Accelerating Habitat Conservation in Southwest Minnesota**

\$3,044,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance high-quality wildlife habitat in southwest Minnesota. Of this amount, up to \$144,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed conservation easement acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

**(f) Targeted RIM Easement Program to Individual Parcel: Pine and Leech Watersheds - Phase I**

\$2,458,000 the second year is to the Board of Water and Soil Resources to acquire and restore permanent conservation easements of high-quality forest, wetland, and shoreline habitat. Of this amount, \$164,000 is for an agreement with the Crow Wing County Soil and Water Conservation District. Up to \$97,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

**(g) Mississippi Headwaters Habitat Corridor Project - Phase V**

\$3,695,000 the second year is to acquire lands in fee and conservation easement and

restore wildlife habitat in the Mississippi headwaters as follows:

(1) \$2,177,000 is to the commissioner of natural resources for agreements as follows: \$69,000 to the Mississippi Headwaters Board and \$2,108,000 to The Trust for Public Land; and

(2) \$1,518,000 is to the Board of Water and Soil Resources, of which up to \$175,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

A list of proposed acquisitions must be included as part of the required accomplishment plan.

**(h) Hennepin County Habitat Conservation Program - Phase II**

\$3,155,000 the second year is to the commissioner of natural resources for agreements with Hennepin County, in cooperation with Minnesota Land Trust, to acquire permanent conservation easements and to restore and enhance habitats in Hennepin County as follows: \$446,000 to Hennepin County and \$2,709,000 to Minnesota Land Trust. Up to \$264,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

**(i) Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase XII**

\$1,474,000 the second year is to the commissioner of natural resources for an agreement with Trout Unlimited to restore

and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams in Minnesota. A list of proposed land acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

**(j) DNR Aquatic Habitat Restoration and Enhancement - Phase III**

\$3,790,000 the second year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

**(k) St. Louis River Restoration Initiative - Phase VII**

\$2,280,000 the second year is to the commissioner of natural resources to restore priority aquatic and riparian habitats in the St. Louis River estuary. A list of proposed restorations must be provided as part of the required accomplishment plan.

**(l) Knife River Habitat Rehabilitation - Phase V**

\$700,000 the second year is to the commissioner of natural resources for an agreement with Zeitgeist, a nonprofit corporation, in cooperation with the Lake Superior Steelhead Association, to restore and enhance trout habitat in the Knife River watershed. A list of proposed enhancements must be provided as part of the required accomplishment plan.

**(m) Shell Rock River Watershed Habitat Restoration Program - Phase IX**

\$1,918,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire lands in fee and to restore and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and

enhancements must be provided as part of the required accomplishment plan.

**(n) Rum River Wildlife and Fish Habitat Enhancement Using Bioengineered Bank Stabilization**

\$816,000 the second year is to the commissioner of natural resources for an agreement with the Anoka County Soil and Water Conservation District to restore and enhance riverine habitat in the Rum River using eco-sensitive, habitat-building, and bioengineering approaches. A list of proposed enhancements must be provided as part of the required accomplishment plan.

**(o) Roseau River Habitat Restoration**

\$3,036,000 the second year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance riverine habitat in the Roseau River and the Roseau River Wildlife Management Area.

**(p) Sauk River Watershed Habitat Protection and Restoration - Phase II**

\$3,926,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance wildlife habitat in the Sauk River watershed as follows: \$430,000 to the Sauk River Watershed District, \$2,073,000 to Pheasants Forever, and \$1,423,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of acquisitions must be provided as part of the required accomplishment plan.

**(q) Southeast Wetland Restoration**

\$1,351,000 the second year is to the commissioner of natural resources for an

agreement with the city of Mankato to acquire land in fee in the city of Mankato for wetland and grassland restoration. A list of acquisitions must be provided as part of the required accomplishment plan.

**(r) Conservation Partners Legacy Grant Program:  
Statewide and Metro Habitat - Phase XII**

\$10,424,000 the second year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, at least \$3,250,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of the total appropriation, \$475,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat projects. For grant requests to acquire land in fee or a

conservation easement, the commissioner must give priority to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, ~~2023~~ 2024. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

## ARTICLE 2

### CLEAN WATER FUND

#### Section 1. CLEAN WATER FUND APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2022" and "2023" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2022, or June 30, 2023,

respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. These are onetime appropriations.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2022**                      **2023**

Sec. 2. **CLEAN WATER FUND**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>126,711,000</u></b>	<b><u>\$</u></b>	<b><u>130,081,000</u></b>
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This appropriation is from the clean water fund. The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget *MMB Guidance to Agencies on Legacy Fund Expenditure*. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2022 appropriations are available until June 30, 2023, and fiscal year 2023 appropriations are available until June 30, 2024. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Disability Access**

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

Sec. 3. DEPARTMENT OF AGRICULTURE                    \$                    10,120,000 \$                    10,120,000

(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices. This appropriation is available until June 30, 2025.

(b) \$2,585,000 the first year and \$2,585,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater in areas vulnerable to groundwater degradation; promoting, developing, and evaluating regional and crop-specific nutrient best management practices; assessing adoption of best management practices; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities, including research activities at the Rosholt Research Farm; and other actions to protect groundwater from degradation from nitrate. This appropriation is available until June 30, 2026.

(c) \$75,000 the first year and \$75,000 the second year are for administering clean water funds managed through the agriculture best management practices loan program. Any unencumbered balance at the end of the second year must be added to the corpus of the loan fund.

(d) \$1,500,000 the first year and \$1,500,000 the second year are for technical assistance, research, and demonstration projects on properly implementing best management practices and more-precise information on nonpoint contributions to impaired waters and for grants to support on-farm demonstration of agricultural practices. This appropriation is available until June 30, 2026.

(e) \$40,000 the first year and \$40,000 the second year are for maintenance of the



watershed. By February 15, 2023, the Red River Watershed Management Board must provide a report to the commissioner and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund on the expenditure of this appropriation.

(b) \$6,604,000 the first year and \$6,604,000 the second year are to develop watershed restoration and protection strategies (WRAPS), which include total maximum daily load (TMDL) studies and TMDL implementation plans according to Minnesota Statutes, chapter 114D, for waters on the impaired waters list approved by the United States Environmental Protection Agency. The agency must complete an average of ten percent of the TMDLs each year over the biennium.

(c) \$950,000 the first year and \$950,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, evaluating trends, and reassessing groundwater that was assessed ten to 15 years ago and found to be contaminated.

(d) \$750,000 the first year and \$750,000 the second year are for implementing the St. Louis River System Area of Concern Remedial Action Plan.

(e) \$900,000 the first year and \$900,000 the second year are for national pollutant discharge elimination system wastewater and stormwater TMDL implementation efforts.

(f) \$2,912,000 the first year and \$2,912,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation includes

base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public health or safety or are otherwise failing. Counties that receive base grants must report the number of properties with noncompliant systems upgraded through an SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buyout. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. The required reports must be part of the established annual reporting for SSTS programs. Of this amount, at least \$900,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A grant awarded under this paragraph may not exceed \$40,000 annually. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures. By January 15 of each odd-numbered year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the clean water fund detailing the outcomes achieved under this paragraph for the previous two years.

(g) \$200,000 the first year and \$200,000 the second year are for accelerated implementation of municipal separate storm sewer system (MS4) permit requirements, including additional technical assistance to municipalities experiencing difficulties understanding and implementing the basic requirements of the municipal stormwater program.

(h) \$700,000 the first year and \$700,000 the second year are for a grant program for sanitary sewer projects that are included in the draft or any updated Voyageurs National Park Clean Water Project Comprehensive Plan to restore the water quality of waters in Voyageurs National Park. Grants must be awarded to local government units for projects approved by the Voyageurs National Park Clean Water Joint Powers Board and must be matched by at least 25 percent from sources other than the clean water fund.

(i) \$260,000 the first year and \$260,000 the second year are for activities, training, and grants that reduce chloride pollution.

(j) \$110,000 the first year and \$110,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(k) Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section are available until June 30, 2026.

**Sec. 5. DEPARTMENT OF NATURAL RESOURCES**

**\$ 8,445,000 \$ 8,440,000**

(a) \$2,000,000 the first year and \$2,000,000 the second year are for streamflow monitoring.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) \$135,000 the first year and \$135,000 the second year are for assessing mercury and other fish contaminants, including monitoring to track the status of impaired waters over time.

(d) \$1,900,000 the first year and \$1,900,000 the second year are for developing targeted,

science-based watershed restoration and protection strategies.

(e) \$1,850,000 the first year and \$1,850,000 the second year are for water-supply planning, aquifer protection, and monitoring activities and analysis.

(f) \$1,000,000 the first year and \$1,000,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities.

(g) \$535,000 the first year and \$530,000 the second year are for applied research and tools, including watershed hydrologic modeling; maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data; and assessing effectiveness of forestry best management practices for water quality.

(h) \$25,000 the first year and \$25,000 the second year are for maintaining and updating buffer maps and for technical guidance on interpreting buffer maps for local units of government implementing buffer requirements. Maps must be provided to local units of government and made available to landowners on the Department of Natural Resources website.

**Sec. 6. BOARD OF WATER AND SOIL RESOURCES**

**\$ 70,424,000 \$ 73,807,000**

(a) \$23,479,000 the first year and \$23,507,000 the second year are for performance-based grants with multiyear implementation plans to local government units. The grants may be used to implement projects that protect, enhance, and restore surface water quality in lakes, rivers, and streams; protect groundwater from degradation; and protect drinking water sources. Projects must be identified in a comprehensive watershed plan developed under the One Watershed, One Plan and

seven-county metropolitan groundwater or surface water management frameworks as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph. This appropriation may be used for:

(1) implementation grants to watershed planning areas with approved plans, including but not limited to Buffalo-Red River, Cannon River, Cedar River, Clearwater River, Des Moines River, Hawk Creek, Lac qui Parle Yellow Bank, Lake of the Woods, Lake Superior North, Le Seuer River, Leech Lake River, Long Prairie River, Lower Minnesota River North, Lower Minnesota River West, Lower Minnesota River South, Lower St. Croix River, Marsh and Wild Rice, Middle Snake Tamarack Rivers, Mississippi East, Mississippi River Headwaters, Mississippi West, Missouri River Basin, Mustinka/Bois de Sioux, Nemadji River, North Fork Crow River, Otter Tail, Pine River, Pomme de Terre River, Red Lake River, Redeye River, Root River, Rum River, Sauk River, Shell Rock River/Winnebago Watershed, Snake River, South Fork Crow River, St. Louis River, Thief River, Two Rivers Plus, Vermillion, Watonwan River, Winona La Crescent, Yellow Medicine River, and Zumbro River;

(2) seven-county metropolitan groundwater or surface water management frameworks; and

(3) other comprehensive watershed management plan planning areas that have a board-approved and local-government-adopted plan as authorized in Minnesota Statutes, section 103B.801.

The board may determine whether a planning area is not ready to proceed, does not have the nonstate match committed, or has not expended all money granted to it. Upon

making the determination, the board may allocate a grant's proposed or unexpended allocation to another planning area to implement priority projects, programs, or practices.

(b) \$11,133,000 the first year and \$11,133,000 the second year are for grants to local government units to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. Up to 20 percent of this appropriation is available for land-treatment projects and practices that benefit drinking water.

(c) \$4,841,000 the first year and \$4,841,000 the second year are for accelerated implementation, local resource protection, enhancement grants, statewide analytical targeting or technology tools that fill an identified gap, program enhancements for technical assistance, citizen and community outreach, compliance, and training and certification.

(d) \$1,000,000 the first year and \$1,000,000 the second year are:

(1) to provide state oversight and accountability, evaluate and communicate results, provide implementation tools, and measure the value of conservation program implementation by local governments; and

(2) to prepare, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, and submit to the legislature by March 1 each even-numbered year a biennial report detailing the recipients and projects funded under this section and the amount of pollution reduced.

(e) \$1,936,000 the first year and \$1,936,000 the second year are to provide assistance, oversight, and grants for supporting local governments in implementing and complying with riparian protection and excessive soil loss requirements.

(f) \$1,936,000 the first year and \$1,936,000 the second year are to develop a pilot working lands floodplain program and to purchase, restore, or preserve riparian land and floodplains adjacent to lakes, rivers, streams, and tributaries, by conservation easements or contracts to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. Up to \$180,000 is for deposit in a monitoring and enforcement account.

(g) \$2,500,000 the first year and \$2,500,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d), or for grants to local units of government for fee title acquisition to permanently protect groundwater supply sources on wellhead protection areas or for otherwise ensuring long-term protection of groundwater supply sources as described under alternative management tools in the Department of Agriculture *Minnesota Nitrogen Fertilizer Management Plan*, including using low-nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the

vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring conservation reserve program contracts. Up to \$250,000 is for deposit in a monitoring and enforcement account.

(h) \$42,000 the first year and \$42,000 the second year are for a technical evaluation panel to conduct ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) \$2,904,000 the first year and \$2,904,000 the second year are for assistance, oversight, and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, section 103B.801.

(j) \$977,000 the first year and \$977,000 the second year are for technical assistance and grants for the conservation drainage program, in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, and including projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(k) \$6,080,000 the first year and \$9,435,000 the second year are to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. This work may be done in cooperation with the United States Department of Agriculture with a first-priority use to accomplish a conservation reserve enhancement program, or equivalent, in the state. Up to \$775,000 is for deposit in a monitoring and enforcement account. This appropriation is available until June 30, 2028.

(l) \$1,234,000 the first year and \$1,234,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters that have good water quality but that are threatened with degradation. Up to \$300,000 is for deposit in a monitoring and enforcement account.

(m) \$362,000 the first year and \$362,000 the second year are for grants or contracts for a program to systematically collect data and produce county, watershed, and statewide estimates of soil erosion caused by water and wind, along with tracking adoption of conservation measures, including cover crops, to address erosion. This appropriation may be used for grants to or contracts with the University of Minnesota to complete this work.

(n) The board must contract for delivery of services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for up to \$500,000 the first year and up to \$500,000 the second year.

(o) \$12,000,000 the first year and \$12,000,000 the second year are for payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331. From this appropriation, each soil and water conservation district shall receive an increase in its base funding of \$100,000 per year. Money remaining after the base increase is available for grants to soil and water conservation districts as determined by the board based on county allocations to soil and water conservation districts and the amount of private land and public waters. The board and other agencies may reduce the amount of grants to a county by an amount equal to any reduction in the county's allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The board may use up to



water, and to enhance approaches that improve the capacity of local governmental units to protect and restore groundwater resources.

(d) \$863,000 the first year and \$863,000 the second year are for establishing a voluntary program to test private wells for contaminants, and a well remediation grant program to reduce risks to private-well users.

(e) \$250,000 the first year and \$250,000 the second year are to develop public health policies and an action plan to address threats to safe drinking water, including development of a voluntary statewide plan for protecting drinking water.

(f) Unless otherwise specified, the appropriations in this section are available until June 30, 2025.

Sec. 8. METROPOLITAN COUNCIL

\$

1,294,000

\$ 1,294,000

(a) \$919,000 the first year and \$919,000 the second year are to implement projects that address emerging threats to the drinking water supply, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation of water supply reliability projects, and prevent degradation of groundwater resources in the metropolitan area. These projects must provide communities with:

(1) potential solutions to leverage regional water use by using surface water, stormwater, wastewater, and groundwater;

(2) an analysis of infrastructure requirements for different alternatives;

(3) development of planning-level cost estimates, including capital costs and operating costs;

(4) identification of funding mechanisms and an equitable cost-sharing structure for



required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 11. **PUBLIC FACILITIES AUTHORITY**            **\$**            **8,568,000** **\$**            **8,568,000**

(a) \$8,468,000 the first year and \$8,468,000 the second year are for the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation is available until June 30, 2028.

(b) \$100,000 the first year and \$100,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until June 30, 2028.

(c) If there is any uncommitted money at the end of each fiscal year under paragraph (a) or (b), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed in this section according to a project's priority rank on the Pollution Control Agency's project priority list.

Sec. 12. **MULTIPURPOSE WATER MANAGEMENT APPROPRIATION EXTENSION.**

The portion of the appropriation in Laws 2015, First Special Session chapter 2, article 2, section 7, paragraph (k), from the clean water fund for multipurpose water management projects under the conservation drainage program granted to the Greater Blue Earth River Basin Alliance for a project in Waseca County is available until July 1, 2022.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2020.

### ARTICLE 3

#### PARKS AND TRAILS FUND

Section 1. **PARKS AND TRAILS FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the parks and trails fund and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. These are onetime appropriations.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
2022                      2023

Sec. 2. **PARKS AND TRAILS**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>54,797,000</u></b>	<b><u>\$</u></b>	<b><u>55,884,000</u></b>
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The amounts that may be spent for each purpose are specified in the following sections.

**Subd. 2. Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget *MMB Guidance to Agencies on Legacy Fund Expenditure*. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2022 appropriations are available until June 30, 2024, and fiscal year 2023 appropriations are available until June 30, 2025. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

**Subd. 3. Disability Access**

Where appropriate, grant recipients of parks and trails funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

<b><u>Sec. 3. DEPARTMENT OF NATURAL RESOURCES</u></b>	<b><u>\$</u></b>	<b><u>33,081,000</u></b>	<b><u>\$</u></b>	<b><u>33,735,000</u></b>
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(a) \$21,712,000 the first year and \$22,149,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors;

(2) acquire land and create opportunities;

(3) maintain existing holdings; and

(4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) \$10,857,000 the first year and \$11,074,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants awarded under this paragraph must be based on the lists of recommended projects submitted to the legislative committees under Minnesota Statutes, section 85.536, subdivision 10, from the Greater Minnesota Regional Parks and Trails Commission established under Minnesota Statutes, section 85.536. Grants funded under this paragraph must support parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the Greater Minnesota Regional Parks and Trails Strategic Plan adopted by the Greater Minnesota Regional Parks and Trails Commission on April 22, 2015. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, \$456,000 the first year and \$456,000 the second year are for the Greater Minnesota Regional Parks and Trails Commission to carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for

regional parks and trails outside the seven-county metropolitan area.

(c) By January 15, 2022, the Greater Minnesota Regional Parks and Trails Commission must submit a list of projects that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2023 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

(d) By January 15, 2022, the Greater Minnesota Regional Parks and Trails Commission must submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

(e) \$512,000 the first year and \$512,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

(f) The commissioner must contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for at least \$850,000 the first year and \$850,000 the second year.

(g) The implementing agencies receiving appropriations under this section must give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.



The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2022" and "2023" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. All appropriations in this article are onetime.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2022**                      **2023**

Sec. 2. **ARTS AND CULTURAL HERITAGE**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>73,132,000</u></b>	<b><u>\$</u></b>	<b><u>76,617,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget *MMB Guidance to Agencies on Legacy Fund Expenditure*. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2022 appropriations are available until June 30, 2023, and fiscal year 2023 appropriations are available until June 30, 2024. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

<b><u>Subd. 3. Minnesota State Arts Board</u></b>		<b><u>34,576,000</u></b>		<b><u>35,806,000</u></b>
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(a) These amounts are appropriated to the Minnesota State Arts Board for arts, arts

education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

**(b) Arts and Arts Access Initiatives**

\$27,500,000 the first year and \$28,700,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state.

**(c) Arts Education**

\$5,250,000 the first year and \$5,250,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

**(d) Arts and Cultural Heritage**

\$1,826,000 the first year and \$1,856,000 the second year are for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

(e) Up to 4.5 percent of the funds appropriated in paragraphs (b) to (d) may be used by the board for administering grant

programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability in fiscal year 2022 and fiscal year 2023.

(f) Up to 30 percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

(g) Any unencumbered balance remaining under this subdivision the first year does not cancel but is available the second year.

**Subd. 4. Minnesota Historical Society**

15,874,000

18,261,000

(a) These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2025. The Minnesota Historical Society or grant recipients of the Minnesota Historical Society using arts and cultural heritage funds under this subdivision must give consideration to Conservation Corps Minnesota and Northern Bedrock Historic Preservation Corps, or an organization carrying out similar work, for projects with

the potential to need historic preservation services.

**(b) Historical Grants and Programs**

(1) Statewide Historic and Cultural Grants

\$6,250,000 the first year and \$7,343,000 the second year are for statewide historic and cultural grants to local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources. Money must be distributed through a competitive grant process. The Minnesota Historical Society must administer the money using established grant mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(2) Statewide History Programs

\$6,250,000 the first year and \$7,343,000 the second year are for historic and cultural programs and purposes related to the heritage of the state.

(3) History Partnerships

\$2,499,000 the first year and \$2,700,000 the second year are for history partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

(4) Statewide Survey of Historical and Archaeological Sites

\$500,000 the first year and \$500,000 the second year are for one or more contracts to be competitively awarded to conduct statewide surveys or investigations of Minnesota's sites of historical, archaeological, and cultural significance. Results of the surveys or investigations must be published in a searchable form and available to the public cost-free. The

Minnesota Historical Society, the Office of the State Archaeologist, the Indian Affairs Council, and the State Historic Preservation Office must each appoint a representative to an oversight board to select contractors and direct the conduct of the surveys or investigations. The oversight board must consult with the Department of Transportation and Department of Natural Resources.

(5) Digital Library

\$375,000 the first year and \$375,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society must cooperate with the Minitex interlibrary loan system and must jointly share this appropriation for these purposes.

**(c) Balance Remaining**

Any unencumbered balance remaining under this subdivision the first year does not cancel but is available the second year.

**Subd. 5. Department of Education**

2,500,000

2,500,000

\$2,500,000 the first year and \$2,500,000 the second year are appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. This money must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3, 4, and 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this subdivision, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. This money may be used to sponsor programs provided by regional

libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. This money must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2023, as grants or contracts in this subdivision are available until June 30, 2025.

**Subd. 6. Department of Administration**

11,333,000

11,175,000

(a) These amounts are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

**(c) Minnesota Public Radio**

\$1,950,000 the first year and \$1,950,000 the second year are for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

**(d) Association of Minnesota Public Educational Radio Stations**

\$1,950,000 the first year and \$1,950,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19. Of this amount, \$200,000 the first year is for statewide programming to produce and distribute the Veterans' Voices program to educate and engage communities regarding Minnesota veterans' contributions,

knowledge, skills, and experiences with an emphasis on the untold stories of veterans from diverse communities. The funds are available until June 30, 2023.

**(e) Public Television**

\$4,460,000 the first year and \$4,460,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18.

**(f) Wilderness Inquiry**

\$400,000 the first year and \$400,000 the second year are to Wilderness Inquiry for the Canoemobile program, which provides students with an outdoor educational experience aligned with the Minnesota history graduation standards.

**(g) Como Park Zoo**

\$1,500,000 the first year and \$1,500,000 the second year are for a grant to the Como Park Zoo and Conservatory for program development that features education programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

**(h) Science Museum of Minnesota**

\$700,000 the first year and \$700,000 the second year are to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

**(i) Lake Superior Zoo**

\$75,000 the first year and \$75,000 the second year are to the Lake Superior Zoo to develop educational exhibits and programs.

**(j) Midwest Outdoors Unlimited**

\$25,000 the first year and \$25,000 the second year are for a grant to Midwest Outdoors Unlimited to preserve Minnesota's outdoor history, culture, and heritage by connecting individuals and youth with disabilities to the state's natural resources.

**(k) Veterans Memorial Grants**

\$100,000 the first year and \$100,000 the second year are for a competitive grants program to provide grants to local units of government for veterans memorials to preserve the culture and heritage of Minnesota. The local unit of government must provide a nonstate cash match equal to the amount of the grant received under this paragraph.

**(l) Disabled Veterans Rest Camp**

\$128,000 the first year is for a grant to the Disabled Veterans Rest Camp on Big Marine Lake in Washington County for landscape improvements around the new cabins, including a retaining wall around a water drainage holding pond and security fencing with vehicle control gates along the entrance road.

**(m) The TAP**

\$15,000 the first year and \$15,000 the second year are for a grant to The TAP in St. Paul to support mental health in disability communities through spoken art forms, community supports, and community engagement.

**(n) Kasson WPA Restoration**

\$30,000 the first year is for a grant to the city of Kasson to restore the wall and pillars of the historical Works Progress Administration (WPA) project at Veterans Memorial Park.

Subd. 7. **Minnesota Zoo**

2,000,000

2,000,000

These amounts are appropriated to the Minnesota Zoological Board for programs and development of the Minnesota

Zoological Garden and to provide access and education related to programs on the cultural heritage of Minnesota.

**Subd. 8. Minnesota Humanities Center**

4,400,000

4,400,000

(a) These amounts are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this subdivision. The Minnesota Humanities Center may use up to 4.5 percent of the following grants to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to issue the grants in this subdivision and must submit the plan for review and approval by the commissioner of administration. The written plan must require the Minnesota Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1).

No grants awarded in this subdivision may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

**(b) Programs and Purposes**

\$1,250,000 the first year and \$1,250,000 the second year are for programs and purposes of the Minnesota Humanities Center.

**(c) Children's Museum Grants**

\$1,050,000 the first year and \$1,050,000 the second year are for arts and cultural heritage grants to children's museums for arts and cultural exhibits and related educational outreach programs. Of this amount:

(1) \$375,000 the first year and \$375,000 the second year are for the Minnesota Children's Museum for interactive exhibits and outreach programs on arts and cultural heritage; and

(2) \$675,000 each year is for grants to other children's museums to be distributed through a competitive grant process to pay for start-up costs or new exhibit and program development. The Minnesota Humanities Center must administer these funds using established mechanisms.

**(d) Community Identity and Heritage Grant Program**

\$2,000,000 the first year and \$2,000,000 the second year are for a competitive grants program to provide grants to individuals and organizations that do at least one of the following:

(1) preserve and honor the cultural heritage of Minnesota;

(2) provide education and student outreach on cultural diversity;

(3) support the development of culturally diverse humanities programming by individuals and organizations; or

(4) empower communities in building identity and culture.

**(e) Civics Programs**

\$100,000 the first year and \$100,000 the second year are for grants to the Minnesota Civic Education Coalition: Minnesota Civic Youth, the Learning Law and Democracy Foundation, and YMCA Youth in Government to conduct civics education programs for the civic and cultural development of Minnesota youth. Civics education is the study of constitutional principles and the democratic foundation of our national, state, and local institutions and the study of political processes and structures of government, grounded in the understanding of constitutional government under the rule of law.

Subd. 9. **Indian Affairs Council**

2,045,000

2,075,000

\$2,045,000 the first year and \$2,075,000 the second year are appropriated to the Indian Affairs Council for grants for preserving Dakota and Ojibwe Indian languages and for protecting Indian graves. The money must be distributed as follows:

(1) \$710,000 the first year and \$725,000 the second year are to provide grants to Minnesota Tribal Nations to preserve Dakota and Ojibwe Indian languages and to foster education programs and services for Dakota and Ojibwe languages;

(2) \$475,000 the first year and \$475,000 the second year are for grants to Dakota and Ojibwe Indian language immersion educational institutions;

(3) \$710,000 the first year and \$725,000 the second year are to provide grants to preserve the Dakota and Ojibwe Indian languages through support of projects and services and to support educational programs and immersion efforts in Dakota and Ojibwe Indian languages;

(4) \$50,000 the first year and \$50,000 the second year are to the Indian Affairs Council for a Dakota and Ojibwe Indian language working group coordinated by the Indian Affairs Council; and

(5) \$100,000 the first year and \$100,000 the second year are to carry out responsibilities under Minnesota Statutes, section 307.08, to comply with Public Law 101-601, the federal Native American Graves Protection and Repatriation Act.

**Subd. 10. Department of Agriculture**

400,000

400,000

These amounts are appropriated to the commissioner of agriculture for grants to county agricultural societies to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage as embodied in its county fairs. The grants must be distributed in equal amounts

to each of the 95 county fairs. The grants are in addition to the aid distribution to county agricultural societies under Minnesota Statutes, section 38.02. The commissioner of agriculture shall develop grant-making criteria and guidance for expending funds under this subdivision to provide funding for projects and events that provide access to the arts or the state's agricultural, historical, and cultural heritage. The commissioner shall seek input from all interested parties.

**Subd. 11. Legislative Coordinating Commission**

4,000

-0-

This amount is for the Legislative Coordinating Commission to maintain the website required under Minnesota Statutes, section 3.303, subdivision 10."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; modifying and extending prior appropriations; amending Minnesota Statutes 2020, section 97A.056, subdivision 9; Laws 2020, chapter 104, article 1, section 2, subdivision 5."

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

**Senator Pratt from the Committee on Jobs and Economic Growth Finance and Policy, to which was referred**

**S.F. No. 1098:** A bill for an act relating to state government; establishing the governor's budget for jobs and economic development; appropriating money for the Departments of Employment and Economic Development and Labor and Industry, Bureau of Mediation Services, and Workers' Compensation Court of Appeals; making policy changes; authorizing rulemaking; modifying fees; requiring reports; amending Minnesota Statutes 2020, sections 13.719, by adding a subdivision; 116J.035, subdivision 6; 116L.02; 116L.03, subdivisions 1, 2, 3; 116L.05, subdivision 5; 116L.17, subdivisions 1, 4; 116L.20, subdivision 2; 116L.40, subdivisions 5, 6, 9, 10, by adding a subdivision; 116L.41, subdivisions 1, 2, by adding subdivisions; 116L.42, subdivisions 1, 2; 116L.98, subdivisions 1, 2, 3; 177.27, subdivision 4; 181.032; 181.939; 181.940, subdivisions 2, 3; 181.9414, by adding a subdivision; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.035, subdivision 21c; 268.085, subdivision 2; 268.133; 268.19, subdivision 1; 326B.092, subdivision 7; 326B.106, subdivision 1; 326B.89, subdivisions 1, 5, 9; proposing coding for new law in Minnesota Statutes, chapter 116L; proposing coding for new law as Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2020, section 116L.18.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1  
APPROPRIATIONS**

**Section 1. JOBS AND ECONOMIC GROWTH FINANCE.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative session, the appropriation must be given effect only once.

**APPROPRIATIONS  
Available for the Year  
Ending June 30  
2022                      2023**

**Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**Subdivision 1. Total Appropriation                      \$      220,824,000      \$      115,374,000**

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>187,749,000</u>	<u>83,549,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>32,375,000</u>	<u>31,125,000</u>

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

**Subd. 2. Business and Community Development                      142,254,000                      38,054,000**

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>139,204,000</u>	<u>35,004,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>2,350,000</u>	<u>2,350,000</u>

(a) \$1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2025.

(b) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to \$29,000 is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(c) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2025.

(d) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2025.

(e) \$139,000 each year is for the Center for Rural Policy and Development.

(f) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(g) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h) \$3,000,000 the first year is for a grant to the Minnesota Initiative Foundations. This is a onetime appropriation and is available until June 30, 2025. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; or

(4) recruit child care programs to participate in Parent Aware, Minnesota's quality and improvement rating system, and other high quality measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through Parent Aware or other high quality measurement programs.

(i)(1) \$750,000 each year from the workforce development fund is for grants to the Neighborhood Development Center for small business programs. This is a onetime appropriation.

(2) Of the amount appropriated in the first year, \$150,000 is for outreach and training activities outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

(j) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to \$160,000 for administrative expenses. This appropriation is available until June 30, 2025.

(k) \$11,231,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to \$225,000 for administration and monitoring of the program. In fiscal year 2024 and beyond, the base amount is \$12,370,000. This appropriation is available until June 30, 2025. Notwithstanding Minnesota Statutes, section 116J.8731, funds appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(l) \$1,000,000 the first year is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439. In awarding grants with this appropriation, the commissioner must prioritize eligible applicants that did not receive a grant pursuant to the appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, paragraph (q).

(m) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this

paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to \$20,000 is for administration and monitoring of the program.

(n) \$325,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(o) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(p) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2025.

(q) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until June 30, 2025.

(r) \$1,350,000 each year is from the workforce development fund for jobs training grants under Minnesota Statutes, section 116L.42.

(s) \$250,000 each year is from the workforce development fund for a grant to Youthprise to give grants through a competitive process to community organizations to provide economic development services designed to enhance long-term economic self-sufficiency

in communities with concentrated East African populations. Such communities include but are not limited to Faribault, Rochester, St. Cloud, Moorhead, and Willmar. Youthprise must make at least 50 percent of these grants to organizations serving communities located outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2. This is a onetime appropriation.

(t) \$125,000 each year is from the workforce development fund for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and entrepreneurs in better business practices. Of this amount, up to \$5,000 may be used for administrative costs. This is a onetime appropriation.

(u) \$200,000 the first year is for a grant to Little Lakers Day Care Center. Grant funds must be used to purchase kitchen equipment, playground equipment, or for other costs necessary for the operation of a child care facility in Lake Crystal.

(v)(1) \$100,000,000 the first year is for the statewide small business relief loan guarantee program in article 2, section 13. Of this amount, \$1,000,000 is for the commissioner to make grants to QED lenders to provide technical assistance to borrowers. This is a onetime appropriation and is available until December 30, 2024.

(2) Of the amount appropriated in clause (1), 50 percent is for loans to businesses located in the seven-county metropolitan area. Of the amount under this clause, the commissioner may use a sum sufficient, not to exceed \$7,000,000, to satisfy the requirements of article 2, section 13, subdivision 3, clause (7).

(3) Of the amount appropriated in clause (1), 50 percent is for loans to businesses not

located in the seven-county metropolitan area. Of the amount under this clause, the commissioner may use a sum sufficient, not to exceed \$7,000,000, to satisfy the requirements of article 2, section 13, subdivision 3, clause (7).

(4) Beginning January 1, 2022, any remaining amount under clause (1) may be used for either clause (2) or (3).

<b><u>Subd. 3. Employment and Training Programs</u></b>	<b><u>28,936,000</u></b>	<b><u>27,686,000</u></b>
	<u>Appropriations by Fund</u>	
<u>General</u>	<u>6,796,000</u>	<u>6,796,000</u>
<u>Workforce Development</u>	<u>22,140,000</u>	<u>20,890,000</u>

(a) \$250,000 each year is for the higher education career advising program.

(b) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(c) \$750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to \$15,000 is for administration and monitoring of the program.

(d) \$1,000,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand their contextualized GED and employment placement program and STEM program. This is a onetime appropriation.

(e) \$150,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to the YWCA of St. Paul to provide job training services and workforce development programs and services, including job skills

training and counseling. This is a onetime appropriation.

(f) \$213,000 each year is from the workforce development fund for Minnesota Family Resiliency Partnership programs under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the funds to existing nonprofit and Minnesota Family Resiliency Partnership programs. This is a onetime appropriation.

(g) \$4,604,000 each year is from the workforce development fund and \$2,546,000 each year is from the general fund for the pathways to prosperity competitive grant program. Of this amount, up to \$143,000 is for administration and monitoring of the program.

(h) \$150,000 each year is from the workforce development fund for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and grant scholarships for careers in the retail food industry. This is a onetime appropriation.

(i) \$250,000 each year is from the workforce development fund for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training and employment placement in information technology;

(3) training and employment placement within trades;

- (4) assistance in obtaining a GED;
- (5) remedial training leading to enrollment and to sustain enrollment in a postsecondary higher education institution;
- (6) real-time work experience in information technology fields and in the trades;
- (7) contextualized adult basic education;
- (8) career and educational counseling for clients with significant and multiple barriers; and;
- (9) reentry services and counseling for adults and youth.

After notification to the chairs and minority leads of the legislative committees with jurisdiction over jobs and economic development, the commissioner may transfer this appropriation to the commissioner of education.

(j) \$375,000 each year is from the workforce development fund for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation. Grant funds must be used to:

(1) increase construction industry exposure activities for middle school and high school youth, parents, and counselors to reach a more diverse demographic and broader statewide audience. This requirement includes, but is not limited to, an expansion of programs to provide experience in different crafts to youth and young adults throughout the state;

(2) increase the number of high schools in Minnesota offering construction classes

during the academic year that utilize a multicraft curriculum;

(3) increase the number of summer internship opportunities;

(4) enhance activities to support graduating seniors in their efforts to obtain employment in the construction industry;

(5) increase the number of young adults employed in the construction industry and ensure that they reflect Minnesota's diverse workforce; and

(6) enhance an industrywide marketing campaign targeted to youth and young adults about the depth and breadth of careers within the construction industry.

Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(k) \$250,000 each year is from the workforce development fund for a grant to Latino Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(l) \$700,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to

hard-to-train individuals. This is a onetime appropriation.

(m) \$875,000 each year is from the workforce development fund for a grant to the Minnesota Technology Association to support SciTech Internship Program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 200 students must be matched in the first year and at least 200 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$2,500 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(n) \$500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs. This appropriation shall be divided equally among the eligible centers.

(o) \$300,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help

participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(p) \$400,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. This is a onetime appropriation.

(q) \$1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to \$20,000 is for administration and monitoring of the program.

(r) \$300,000 each year is from the workforce development fund for a grant to the Hmong American Partnership, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of Southeast Asian joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(s) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy,

academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to \$20,000 is for administration and monitoring of the program.

(t) \$500,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in vocational trades, housing, and organizational capacity building. This is a onetime appropriation.

(u) \$750,000 each year is from the general fund and \$3,348,000 each year is from the workforce development fund for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to \$82,000 is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(v) \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(w) \$4,050,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(x) \$250,000 each year is from the workforce development fund for a grant to Big Brothers Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Big Brothers Big Sisters chapters in the

Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(y) \$1,000,000 the first year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Goodwill Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally.

(z) \$300,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to the International Institute of Minnesota for workforce training for new Americans in industries in need for a trained workforce. This is a onetime appropriation.

(aa) \$250,000 in the first year is from the workforce development fund for a grant to the ProStart and Hospitality Tourism Management Program for a well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry.

(bb) \$750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job seeking skills, work-based learning experience including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25

percent match from nonstate resources. This is a onetime appropriation.

**Subd. 4. General Support Services** 4,226,000 4,226,000

	<u>Appropriations by Fund</u>	
<u>General Fund</u>	<u>4,171,000</u>	<u>4,171,000</u>
<u>Workforce Development</u>	<u>55,000</u>	<u>55,000</u>

(a) \$250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(b) \$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

**Subd. 5. Minnesota Trade Office** 2,292,000 2,292,000

(a) \$300,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979.

(b) \$180,000 each year is for the Invest Minnesota marketing initiative in Minnesota Statutes, section 116J.9781.

(c) \$270,000 each year is for the Minnesota Trade Offices under Minnesota Statutes, section 116J.978.

(d) \$50,000 each year is for the Trade Policy Advisory Council under Minnesota Statutes, section 116J.9661.

**Subd. 6. Vocational Rehabilitation** 36,691,000 36,691,000

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>28,861,000</u>	<u>28,861,000</u>
<u>Workforce Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

(a) \$14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$8,995,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended

employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, \$2,000,000 each year is for rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) \$2,555,000 each year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

(d) \$3,011,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

**Subd. 7. Services for the Blind**

6,425,000

6,425,000

Of this amount, \$500,000 each year is for senior citizens who are becoming blind. At least one-half of the funds for this purpose must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.

**Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY**

**Subdivision 1. Total Appropriation**

**\$**

**29,337,000**

**\$ 29,237,000**

Appropriations by Fund

2022

2023

<u>General</u>	<u>4,344,000</u>	<u>4,244,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>22,009,000</u>	<u>22,009,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>2,984,000</u>	<u>2,984,000</u>

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

**Subd. 2. General Support** 8,260,000 8,260,000

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>900,000</u>	<u>900,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>5,960,000</u>	<u>5,960,000</u>
<u>Workforce</u>		
<u>Development Fund</u>	<u>1,400,000</u>	<u>1,400,000</u>

(a) \$900,000 each year is from the general fund for system upgrades. This is a onetime appropriation. This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs must be incorporated into the service level agreement and must be paid to the Office of MN.IT Services by the commissioner of labor and industry under the rates and mechanism specified in that agreement.

(b) \$1,100,000 each year is from the workforce development fund for the youth skills training grants under Minnesota Statutes, section 175.46. Of this amount, \$100,000 each year is for administration of the program.

(c) \$300,000 each year is from the workforce development fund for the PIPELINE program.

**Subd. 3. Labor Standards and Apprenticeship** 5,028,000 4,928,000

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>3,344,000</u>	<u>3,344,000</u>

<u>Workforce</u>		
<u>Development</u>	<u>1,584,000</u>	<u>1,584,000</u>

(a) \$2,046,000 each year is for wage theft prevention.

(b) \$151,000 each year is from the workforce development fund for prevailing wage enforcement.

(c) \$1,133,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(d) \$100,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(e) \$200,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hard Hats Minnesota initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

(f)(1) \$100,000 in the first year is for a grant to Independent School District No. 294, Houston, for the Minnesota Virtual Academy's career pathway program with Operating Engineers Local 49. The program may include up to five semesters of courses,

and must lead to eligibility into the Operating Engineers Local 49 apprenticeship program. The grant may be used to encourage and support student participation in the career pathway program through additional academic, counseling, and other support services provided by the student's enrolling school district to provide these services. This appropriation is available until June 30, 2023; and

(2) by January 15, 2024, Independent School District No. 294, Houston, must submit a written report to the chairs and ranking minority members of the house of representatives and senate committees of the legislature having jurisdiction over education and workforce development describing students' experiences with the program. The report must document the program's spending, list the number of students participating in the program and entering the apprenticeship program, and make recommendations for improving support of career pathway programs statewide.

<u>Subd. 4. <b>Workers' Compensation</b></u>	<u>11,882,000</u>	<u>11,882,000</u>
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This appropriation is from the workers' compensation fund.

<u>Subd. 5. <b>Workplace Safety</b></u>	<u>4,167,000</u>	<u>4,167,000</u>
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This appropriation is from the workers' compensation fund.

<u>Sec. 4. <b>WORKERS' COMPENSATION COURT OF APPEALS</b></u>	<u>\$ 2,283,000</u>	<u>\$ 2,283,000</u>
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This appropriation is from the workers' compensation fund.

<u>Sec. 5. <b>BUREAU OF MEDIATION SERVICES</b></u>	<u>\$ 2,290,000</u>	<u>\$ 2,290,000</u>
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(a) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance

remaining at the end of the first year does not cancel but is available for the second year.

(b) \$125,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041.

**Sec. 6. DEPARTMENT OF REVENUE.**

\$20,550,000 is appropriated in fiscal year 2021 from the general fund to the commissioner of revenue for business relief payments to businesses that were otherwise eligible for the payments under Laws 2020, Seventh Special Session chapter 2, article 1, section 1, but for an error in the North American Industry Classification System (NAICS) code on record for the business with either the Department of Revenue or the Department of Employment and Economic Development at the time the relief program was enacted. Upon confirmation that the corrected NAICS code is on record for a business and is one of the NAICS codes listed in Laws 2020, Seventh Special Session chapter 2, article 1, section 1, subdivision 2, paragraph (b), clause (3), the commissioner of revenue shall issue a relief payment to the business in an amount calculated as specified under Laws 2020, Seventh Special Session chapter 2, article 1, section 1, subdivision 3. This appropriation is available until June 30, 2023.

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

**Sec. 7. CANCELLATION; BUSINESS RELIEF PAYMENTS.**

\$20,650,000 of the appropriation in Laws 2020, Seventh Special Session chapter 2, article 1, section 1, subdivision 7, is canceled.

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

**Sec. 8. CANCELLATIONS; FISCAL YEAR 2021.**

(a) \$1,022,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 4, is canceled.

(b) \$203,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 2, is canceled.

(c) \$102,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 5, is canceled.

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

**ARTICLE 2**

**LABOR AND INDUSTRY**

Section 1. Minnesota Statutes 2020, section 13.7905, is amended by adding a subdivision to read:

Subd. 8. **Data on individuals who are minors.** Disclosure of data on minors is governed by section 181A.112.

Sec. 2. Minnesota Statutes 2020, section 178.012, subdivision 1, is amended to read:

Subdivision 1. **Apprenticeship rules.** Federal regulations governing apprenticeship in effect on ~~July 1, 2013~~ January 18, 2017, as provided by Code of Federal Regulations, title 29, ~~part~~ parts 29, sections 29.1 to 29.6 and 29.11, and 30 are the apprenticeship rules in this state, subject to amendment by this chapter or by rule under section 178.041.

Sec. 3. Minnesota Statutes 2020, section 181.032, is amended to read:

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

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

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

- (1) the name of the employee;
- (2) the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;
- (3) allowances, if any, claimed pursuant to permitted meals and lodging;
- (4) the total number of hours worked by the employee unless exempt from chapter 177;
- (5) the total amount of gross pay earned by the employee during that period;
- (6) a list of deductions made from the employee's pay;
- (7) the net amount of pay after all deductions are made;
- (8) the date on which the pay period ends;
- (9) the legal name of the employer and the operating name of the employer if different from the legal name;
- (10) the physical address of the employer's main office or principal place of business, and a mailing address if different; and
- (11) the telephone number of the employer.

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

notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) At the start of employment On or before the date an employer provides an employee with the employee's first earnings statement, an employer shall provide each employee a ~~written~~ notice, either in writing or by electronic means, containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates, as well as any pay schedule or range of pay for an employee who is reasonably expected to move between job duties, classifications, and pay or benefit structures in their day-to-day duties;

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

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

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

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

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

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

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

(9) the telephone number of the employer; and

(10) a checkbox to indicate whether a hiring employer is a staffing agency and space for a staffing agency to indicate the initial entity for which the employee will perform work.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. An employee's signature on the notice constitutes acknowledgment of receipt of the notice and does not create a contract. For the purposes of this paragraph, "signed" means a written signature or an electronic signature as defined in section 325L.02. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) The notice requirement under paragraph (d) is satisfied for an employee if the employee has received all of the information required in paragraph (d) specific to the employee through a collective

bargaining agreement, employee handbook, offer letter, or a combination of those documents. In such an instance, the employer must retain a record or listing of the referenced documents that satisfied the notice requirement in paragraph (d).

(g) An employer must provide the employee any ~~written~~ changes to the information contained in the notice under paragraph (d) ~~prior to the~~, either in writing or by electronic means, by the date of the employee's next earnings statement following the date the changes take effect. The notice of changes to information under this paragraph does not require a signature by the employee acknowledging receipt. The requirements of this paragraph are satisfied if the changes to information are contained on the employee's next earnings statement.

(h) Notice is not required under paragraph (g) to an employee for discretionary pay. For the purposes of this section, "discretionary pay" means compensation paid by the employer for which the amount and timing are not disclosed in advance by the employer and are at the employer's sole discretion.

(i) Notice is not required under paragraph (g) to an employee employed by a staffing agency upon subsequent job placements following the initial placement by the staffing agency.

(j) The commissioner shall issue a written warning to an employer upon the first finding of a violation or violations of the notice requirements found in paragraphs (d) to (g). For purposes of this paragraph, discovery by the commissioner of more than one violation of the notice requirements under paragraphs (d) to (g) at the same employer during the same investigation shall be considered a single violation.

Sec. 4. Minnesota Statutes 2020, section 181.101, is amended to read:

#### **181.101 WAGES; HOW OFTEN PAID.**

(a) Except as provided in paragraph (b), every employer must pay all wages, including salary, earnings, and gratuities earned by an employee at least once every 31 days and all commissions earned by an employee at least once every three months, on a regular payday designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first 31-day pay period become due on the first regular payday following the first day of work. If wages or commissions earned are not paid, the commissioner of labor and industry or the commissioner's representative may serve a demand for payment on behalf of an employee. In addition to other remedies under section 177.27, if payment of wages is not made within ten days of service of the demand, the commissioner may charge and collect the wages earned at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the employee's average daily earnings at the same rate or rates, not exceeding 15 days in all, for each day beyond the ten-day limit following the demand. If payment of commissions is not made within ten days of service of the demand, the commissioner may charge and collect the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid, not exceeding 15 days in all, for each day beyond the ten-day limit. Money collected by the commissioner must be paid to the employee concerned. This section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district, other public school entity, or other school, as defined

under section 120A.22, from paying any wages earned by its employees during a school year on regular paydays in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works. This section provides a substantive right for employees to the payment of wages, including salary, earnings, and gratuities, as well as commissions, in addition to the right to be paid at certain times.

(b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision 10, a member of an organized first responder squad that is formally recognized by a political subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant at least once every 31 days, unless the employer and the employee mutually agree upon payment at longer intervals.

Sec. 5. Minnesota Statutes 2020, section 181.939, is amended to read:

**181.939 NURSING MOTHERS, LACTATING EMPLOYEES, AND PREGNANCY ACCOMMODATIONS.**

Subdivision 1. **Nursing mothers.** (a) An employer must provide reasonable ~~unpaid break time~~ ~~times~~ each day to an employee who needs to express breast milk for her infant child during the twelve months following the birth of the child. The break time must, if possible, run concurrently with any break ~~time~~ ~~times~~ already provided to the employee. An employer is not required to provide break ~~time~~ ~~times~~ under this section if to do so would unduly disrupt the operations of the employer. An employer shall not reduce an employee's compensation for time used for the purpose of expressing milk.

(b) The employer must make reasonable efforts to provide a room or other location, in close proximity to the work area, other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express ~~her~~ milk in privacy. The employer would be held harmless if reasonable effort has been made.

(c) For the purposes of this ~~section~~ subdivision, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

(d) An employer ~~may~~ shall not retaliate against an employee for asserting rights or remedies under this ~~section~~ subdivision.

Subd. 2. **Pregnancy accommodations.** (a) An employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth upon request, with the advice of a licensed health care provider or certified doula, unless the employer demonstrates that the accommodation would impose an undue hardship on the operation of the employer's business. A pregnant employee shall not be required to obtain the advice of a licensed health care provider or certified doula, nor may an employer claim undue hardship for the following accommodations: (1) more frequent restroom, food, and water breaks; (2) seating; and (3) limits on lifting over 20 pounds. The employee and employer shall engage in an interactive process with respect to an employee's request for a reasonable accommodation. "Reasonable accommodation" may include but is not limited to temporary transfer to a less strenuous or hazardous position, seating,

frequent restroom breaks, and limits to heavy lifting. Notwithstanding any other provision of this subdivision, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this subdivision and shall not be required to discharge an employee, transfer another employee with greater seniority, or promote an employee.

(b) Nothing in this subdivision shall be construed to affect any other provision of law relating to sex discrimination or pregnancy or in any way diminish the coverage of pregnancy, childbirth, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

(c) An employer shall not require an employee to take a leave or accept an accommodation.

(d) An employer shall not retaliate against an employee for asserting rights or remedies under this subdivision.

(e) For the purposes of this subdivision, "employer" means a person or entity that employs fifteen or more employees and includes the state and its political subdivisions.

**EFFECTIVE DATE.** This section is effective one year following enactment of this section.

**Sec. 6. [181A.112] DATA ON INDIVIDUALS WHO ARE MINORS.**

(a) When the commissioner collects, creates, receives, maintains, or disseminates the following data on individuals who the commissioner knows are minors, the data are considered private data on individuals, as defined in section 13.02, subdivision 12, except for data classified as public data according to section 13.43:

(1) name;

(2) date of birth;

(3) Social Security number;

(4) telephone number;

(5) e-mail address;

(6) physical or mailing address;

(7) location data;

(8) online account access information; and

(9) other data that would identify participants who have registered for events, programs, or classes sponsored by the Department of Labor and Industry.

(b) Data about minors classified under this section maintain their classification as private data on individuals after the individual is no longer a minor.

Sec. 7. Minnesota Statutes 2020, section 326B.07, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The Construction Codes Advisory Council consists of the following members:

(1) the commissioner or the commissioner's designee representing the department's Construction Codes and Licensing Division;

(2) the commissioner of public safety or the commissioner of public safety's designee representing the Department of Public Safety's State Fire Marshal Division;

(3) one member, appointed by the commissioner, with expertise in and engaged in each of the following occupations or industries:

- (i) certified building officials;
- (ii) fire chiefs or fire marshals;
- (iii) licensed architects;
- (iv) licensed professional engineers;
- (v) commercial building owners and managers;
- (vi) the licensed residential building industry;
- (vii) the commercial building industry;
- (viii) the heating and ventilation industry;
- (ix) a member of the Plumbing Board;
- (x) a member of the Board of Electricity;
- (xi) a member of the Board of High Pressure Piping Systems;
- (xii) the boiler industry;
- (xiii) the manufactured housing industry;
- (xiv) public utility suppliers;
- (xv) the Minnesota Building and Construction Trades Council; ~~and~~
- (xvi) local units of government;
- (xvii) the energy conservation industry; and
- (xviii) building accessibility.

(b) The commissioner or the commissioner's designee representing the department's Construction Codes and Licensing Division shall serve as chair of the advisory council. For members who are not state officials or employees, compensation and removal of members of the advisory council are governed by section 15.059. The terms of the members of the advisory council shall be four years.

The terms of eight of the appointed members shall be coterminous with the governor and the terms of the remaining nine appointed members shall end on the first Monday in January one year after the terms of the other appointed members expire. An appointed member may be reappointed. Each council member shall appoint an alternate to serve in their absence.

Sec. 8. Minnesota Statutes 2020, section 326B.106, subdivision 4, is amended to read:

Subd. 4. **Special requirements.** (a) **Space for commuter vans.** The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) **Smoke detection devices.** The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) **Doors in nursing homes and hospitals.** The State Building Code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) **Child care facilities in churches; ground level exit.** A licensed day care center serving fewer than 30 preschool age persons and which is located in a belowground space in a church building is exempt from the State Building Code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) **Family and group family day care.** Until the legislature enacts legislation specifying appropriate standards, the definition of dwellings constructed in accordance with the International Residential Code as adopted as part of the State Building Code applies to family and group family day care homes licensed by the Department of Human Services under Minnesota Rules, chapter 9502.

(f) **Enclosed stairways.** No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(h) **Relocated residential buildings.** A residential building relocated within or into a political subdivision of the state need not comply with the State Energy Code or section 326B.439 provided that, where available, an energy audit is conducted on the relocated building.

(i) **Automatic garage door opening systems.** The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(j) **Exterior wood decks, patios, and balconies.** The code must permit the decking surface and upper portions of exterior wood decks, patios, and balconies to be constructed of (1) heartwood from species of wood having natural resistance to decay or termites, including redwood and cedars, (2) grades of lumber which contain sapwood from species of wood having natural resistance to decay or termites, including redwood and cedars, or (3) treated wood. The species and grades of wood products used to construct the decking surface and upper portions of exterior decks, patios, and balconies must be made available to the building official on request before final construction approval.

(k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be imposed by municipalities under the State Building Code, except as required under section 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92 administered by the Department of Labor and Industry. All data regarding the material production processes, including the bioprocess system's structural design and layout, are nonpublic data as provided by section 13.7911.

(l) **Use of ungraded lumber.** The code must allow the use of ungraded lumber in geographic areas of the state where the code did not generally apply as of April 1, 2008, to the same extent that ungraded lumber could be used in that area before April 1, 2008.

(m) **Window cleaning safety.** The code must require the installation of dedicated anchorages for the purpose of suspended window cleaning on (1) new buildings four stories or greater; and (2) buildings four stories or greater, only on those areas undergoing reconstruction, alteration, or repair that includes the exposure of primary structural components of the roof.

The commissioner may waive all or a portion of the requirements of this paragraph related to reconstruction, alteration, or repair, if the installation of dedicated anchorages would not result in significant safety improvements due to limits on the size of the project, or other factors as determined by the commissioner.

Dedicated anchorages are not required for new buildings that are six stories or less if the roof has a slope steeper than four units vertical by 12 units horizontal.

Sec. 9. Minnesota Statutes 2020, section 326B.108, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "place of public accommodation" means a publicly or privately owned facility that is designed for occupancy by ~~200~~ 100 or more people and is a sports or entertainment arena, stadium, theater, community or convention hall, special event center, indoor amusement facility or water park, or indoor swimming pool.

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

Sec. 10. Minnesota Statutes 2020, section 326B.108, subdivision 3, is amended to read:

Subd. 3. **Enforcement.** Effective July 1, 2017, in a municipality that has not adopted the code by ordinance under section 326B.121, subdivision 2, the commissioner shall enforce this section in accordance with section 326B.107, subdivision 1.

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

Sec. 11. Minnesota Statutes 2020, section 326B.108, is amended by adding a subdivision to read:

Subd. 5. **Fire sprinklers required.** Automatic sprinkler systems for fire protection purposes are required in a place of public accommodation if, on or after August 1, 2008:

(1) the facility was constructed, added to, or altered; and

(2) the facility has an occupant load of 300 or more.

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

Sec. 12. Minnesota Statutes 2020, section 326B.121, subdivision 2, is amended to read:

Subd. 2. **Municipal enforcement.** (a) If, as of January 1, 2008, a municipality has in effect an ordinance adopting the State Building Code, that municipality must continue to administer and enforce the State Building Code within its jurisdiction. The municipality is prohibited from repealing its ordinance adopting the State Building Code. This paragraph does not apply to municipalities with a population of less than 2,500 according to the last federal census that are located outside of a metropolitan county, as defined in section 473.121, subdivision 4.

(b) If a municipality is not required by paragraph (a) to administer and enforce the State Building Code, the municipality may choose to administer and enforce the State Building Code within its jurisdiction by adopting the code by ordinance.

(c) A municipality must not by ordinance, or through development agreement, require building code provisions regulating components or systems of any structure that are different from any provision of the State Building Code. This subdivision does not prohibit a municipality from enacting or enforcing an ordinance requiring existing components or systems of any structure to be maintained in a safe and sanitary condition or in good repair, but not exceeding the standards under which the structure was built, reconstructed, or altered, or the component or system was installed, unless specific retroactive provisions for existing buildings have been adopted as part of the State Building Code. A municipality may, with the approval of the state building official, adopt an ordinance that is more restrictive than the State Building Code where geological conditions warrant a more restrictive ordinance. A municipality may appeal the disapproval of a more restrictive ordinance to the commissioner. An appeal under this subdivision is subject to the schedule, fee, procedures, cost provisions, and appeal rights set out in section 326B.139.

(d) A city may by ordinance and with permission of the township board extend the administration and enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction if the code is not already administered and enforced in the territory. Where two or more noncontiguous cities, which have elected to administer and enforce the code, have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits. Enforcement of the code in an extended area outside a city's corporate limits includes all rules, laws, and ordinances associated with administration of the code.

(e) A city cannot commence administration and enforcement of the code outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to administer and enforce the code. A public hearing on the proposed administration and enforcement must be held not less than 30 days after the notice has been provided. Administration and enforcement of the code by the city outside of its jurisdiction commences on a date determined by the city that is no less than 90 days nor more than one year after the public hearing.

(f) A municipality may enforce the State Building Code by any means that are convenient and lawful, including entering into contracts with other municipalities under section 471.59 and with qualified individuals. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. If a municipality has no qualified employees of the municipality or other municipalities or qualified individuals available to carry out inspection and enforcement, the commissioner shall train and designate individuals available to carry out inspection and enforcement. The commissioner may be reimbursed for the inspection by retention or remission of some or all of the building permit fee collected or by other means.

(g) Nothing in this subdivision prohibits a municipality from adopting ordinances relating to zoning, subdivision, or planning unless the ordinance conflicts with a provision of the State Building Code that regulates components or systems of any structure.

(h) A municipality authorized to establish a border city enterprise zone as defined in section 469.166 may by ordinance adopt building code provisions that are different from provisions of the State Building Code for the purpose of reducing the required frost footing depth for one- and two-family dwellings to match the requirements of an adjacent municipality in a bordering state. Any reduction in required frost footing depth adopted by a municipality under this paragraph shall be no lower than the minimum depth allowed in Zone II under Minnesota Rules, part 1303.1600, subpart 1.

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

Sec. 13. Minnesota Statutes 2020, section 326B.133, subdivision 8, is amended to read:

Subd. 8. **Continuing education requirements; extension of time.** (a) This subdivision establishes the number of continuing education hours required within each two-year certification period.

A certified building official shall accumulate ~~38~~ 35 hours of continuing education in any education program that is approved under Minnesota Rules, part 1301.1000.

A certified building official-limited shall accumulate ~~38~~ 35 hours of continuing education in any education program that is approved under Minnesota Rules, part 1301.1000.

An accessibility specialist must accumulate nine hours of approved continuing education hours in any of the education programs that are provided under Minnesota Rules, part 1301.1000, subpart 1 or 2. The nine hours must be in courses relating to building accessibility, plan review, field inspection, or building code administration.

Continuing education programs may be approved as established in rule.

(b) Subject to sections 326B.101 to 326B.194, the commissioner may by rule establish or approve continuing education programs for certified building officials dealing with matters of building code administration, inspection, and enforcement.

Each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner to renew certification.

(c) The state building official may grant an extension of time to comply with continuing education requirements if the certificate holder requesting the extension of time shows cause for the extension. The request for the extension must be in writing. For purposes of this section, the certificate holder's current certification effective dates shall remain the same. The extension does not relieve the certificate holder from complying with the continuing education requirements for the next two-year period.

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

Sec. 14. Minnesota Statutes 2020, section 326B.89, subdivision 4, is amended to read:

Subd. 4. **Purpose of fund.** (a) The purpose of this fund is to:

(1) compensate owners or lessees of residential real estate who meet the requirements of this section;

(2) reimburse the department for all legal and administrative expenses, disbursements, and costs, including staffing costs, incurred in administering and defending the fund;

(3) pay for educational or research projects in the field of residential contracting to further the purposes of sections 326B.801 to 326B.825; and

(4) provide information to the public on residential contracting issues.

**(b) No money from this fund may be transferred or spent unless the commissioner determines that the money is being transferred or spent for one of the purposes in paragraph (a).**

Sec. 15. **REPEALER.**

Minnesota Statutes 2020, section 181.9414, is repealed.

**EFFECTIVE DATE.** This section is effective one year following enactment of this section.

### ARTICLE 3

#### ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2020, section 12.32, is amended to read:

#### **12.32 GOVERNOR'S ORDERS AND RULES, EFFECT.**

Except as provided in section 12.321, orders and rules promulgated by the governor under authority of section 12.21, subdivision 3, clause (1), when approved by the Executive Council and filed in the Office of the Secretary of State, have, during a national security emergency, peacetime emergency, or energy supply emergency, the full force and effect of law. Rules and ordinances of any agency or political subdivision of the state inconsistent with the provisions of this chapter or with any order or rule having the force and effect of law issued under the authority of this chapter, is suspended during the period of time and to the extent that the emergency exists.

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

**Sec. 2. [12.321] EXECUTIVE ORDERS RELATING TO PUBLIC HEALTH EMERGENCY FOR INFECTIOUS DISEASE; EFFECT.**

Notwithstanding any law to the contrary, any executive order relating to a public health emergency for an infectious disease issued pursuant to section 12.21 or 12.31 that closes or partially closes or proposes to close or partially close a business to ingress, egress, use, and occupancy by members of the public must:

(1) be approved by the legislature with a simple majority vote in both the senate and the house of representatives acting separately prior to implementation of the executive order; and

(2) provide businesses subject to the executive order with 14 calendar days advanced notice of the closure.

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

Sec. 3. Minnesota Statutes 2020, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** (a) An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

(b) Up to 15 percent of the development of a project may be for a purpose that is not included under this subdivision as an eligible project. A city or county must provide notice to the commissioner for the commissioner's approval of the proposed project.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that have been funded previously under Minnesota Statutes, section 116J.431.

Sec. 4. Minnesota Statutes 2020, section 116J.431, subdivision 3, is amended to read:

Subd. 3. **Ineligible projects.** ~~The following~~ Projects, including but not limited to the following types, are ~~not eligible~~ ineligible for a grant under this section:

- (1) retail development; or
- (2) office space development, except as incidental to an eligible purpose.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that have been funded previously under Minnesota Statutes, section 116J.431.

Sec. 5. Minnesota Statutes 2020, section 116J.431, is amended by adding a subdivision to read:

Subd. 3a. **Development restrictions expiration.** After ten years from the date of the grant award under this section, if an eligible project for which the public infrastructure was intended has not been developed, any other lawful project may be developed and supported by the public infrastructure. The city or county must notify the commissioner of the project.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that have been funded previously under Minnesota Statutes, section 116J.431.

Sec. 6. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws 2017, First Special Session chapter 7, section 2, is amended to read:

Subd. 2. **Business and Community Development**      \$      46,074,000      \$      40,935,000

	Appropriations by Fund	
General	\$43,363,000	\$38,424,000
Remediation	\$700,000	\$700,000
Workforce		
Development	\$1,861,000	\$1,811,000
Special Revenue	\$150,000	-0-

(a) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) \$750,000 each year is for grants to the Neighborhood Development Center for small business programs:

- (1) training, lending, and business services;

(2) model outreach and training in greater Minnesota; and

(3) development of new business incubators.

This is a onetime appropriation.

(c) \$1,175,000 each year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(d) \$125,000 each year is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(e)(1) \$12,500,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until spent.

(2) Of the amount appropriated in fiscal year 2018, \$4,000,000 is for a loan to construct and equip a wholesale electronic component distribution center investing a minimum of \$200,000,000 and constructing a facility at least 700,000 square feet in size. Loan funds may be used for purchases of materials, supplies, and equipment for the construction of the facility and are available from July 1, 2017, to June 30, 2021. The commissioner of employment and economic development

shall forgive the loan after verification that the project has satisfied performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(3) Of the amount appropriated in fiscal year 2018, \$700,000 is for a ~~loan to extend an effluent pipe that will deliver reclaimed water to an innovative waste-to-biofuel project investing a minimum of \$150,000,000 and constructing a facility that is designed to process approximately 400,000 tons of waste annually.~~ Loan grant to the Metropolitan Council under Minnesota Statutes, section 116.195, for wastewater infrastructure to support industrial users in Rosemount that require significant water use. Grant funds are available until June 30, 2021 2025.

(f) \$8,500,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. In fiscal year 2020 and beyond, the base amount is \$8,000,000.

(g) \$1,647,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent. In fiscal year 2020 and beyond, the base amount is \$1,772,000.

(h) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(i) \$163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the

required matching contribution has not been received by that date.

(j) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2021.

(k) \$139,000 each year is for a grant to the Rural Policy and Development Center under Minnesota Statutes, section 116J.421.

(l)(1) \$1,300,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until spent. If the appropriation for either year is insufficient, the appropriation for the other year is available. In fiscal year 2020 and beyond, the base amount is \$1,787,000. Funds available under this paragraph may be used for site preparation of property owned and to be used by private entities.

(2) Of the amounts appropriated, \$1,600,000 in fiscal year 2018 is for a grant to the city of Thief River Falls to support utility extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required. Grant funds are available from July 1, 2017, to June 30, 2021.

(m) \$876,000 the first year and \$500,000 the second year are for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are

available until spent. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(n) \$875,000 each year is for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(o) \$250,000 in fiscal year 2018 is for a grant to the Minnesota Design Center at the University of Minnesota for the greater Minnesota community design pilot project.

(p) \$275,000 in fiscal year 2018 is from the general fund to the commissioner of employment and economic development for a grant to Community and Economic Development Associates (CEDA) for an economic development study and analysis of the effects of current and projected economic growth in southeast Minnesota. CEDA shall report on the findings and recommendations of the study to the committees of the house of representatives and senate with jurisdiction over economic development and workforce issues by February 15, 2019. All results and information gathered from the study shall be made available for use by cities in southeast Minnesota by March 15, 2019. This appropriation is available until June 30, 2020.

(q) \$2,000,000 in fiscal year 2018 is for a grant to Pillsbury United Communities for construction and renovation of a building in north Minneapolis for use as the "North Market" grocery store and wellness center, focused on offering healthy food, increasing health care access, and providing job creation and economic opportunities in one place for children and families living in the area. To the extent possible, Pillsbury United Communities shall employ individuals who reside within a five mile radius of the grocery

store and wellness center. This appropriation is not available until at least an equal amount of money is committed from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(r) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(s) \$875,000 each year is for the host community economic development grant program established in Minnesota Statutes, section 116J.548.

(t) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

(u) \$161,000 each year is from the workforce development fund for a grant to the Rural Policy and Development Center. This is a onetime appropriation.

(v) \$300,000 each year is from the workforce development fund for a grant to Enterprise Minnesota, Inc. This is a onetime appropriation.

(w) \$50,000 in fiscal year 2018 is from the workforce development fund for a grant to Fighting Chance for behavioral intervention programs for at-risk youth.

(x) \$1,350,000 each year is from the workforce development fund for job training grants under Minnesota Statutes, section 116L.42.

(y)(1) \$519,000 in fiscal year 2018 is for grants to local communities to increase the supply of quality child care providers in order to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this paragraph must be used to implement solutions to reduce the child care shortage in the state including but not limited to funding for child care business start-ups or expansions, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have documented a shortage of child care providers in the area.

(2) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

(3) By January 1 of each year, starting in 2019, the commissioner must report to the standing committees of the legislature having jurisdiction over child care and economic development on the outcomes of the program to date.

(z) \$319,000 in fiscal year 2018 is from the general fund for a grant to the East Phillips Improvement Coalition to create the East Phillips Neighborhood Institute (EPNI) to expand culturally tailored resources that address small business growth and create green jobs. The grant shall fund the collaborative work of Tamales y Bicicletas, Little Earth of the United Tribes, a nonprofit

serving East Africans, and other coalition members ~~towards~~ toward developing EPNI as a community space to host activities including, but not limited to, creation and expansion of small businesses, culturally specific entrepreneurial activities, indoor urban farming, job training, education, and skills development for residents of this low-income, environmental justice designated neighborhood. Eligible uses for grant funds include, but are not limited to, planning and start-up costs, staff and consultant costs, building improvements, rent, supplies, utilities, vehicles, marketing, and program activities. The commissioner shall submit a report on grant activities and quantifiable outcomes to the committees of the house of representatives and the senate with jurisdiction over economic development by December 15, 2020. This appropriation is available until June 30, 2020.

(aa) \$150,000 the first year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to conduct the biomass facility closure economic impact study.

(bb)(1)\$300,000 in fiscal year 2018 is for a grant to East Side Enterprise Center (ESEC) to expand culturally tailored resources that address small business growth and job creation. This appropriation is available until June 30, 2020. The appropriation shall fund the work of African Economic Development Solutions, the Asian Economic Development Association, the Dayton's Bluff Community Council, and the Latino Economic Development Center in a collaborative approach to economic development that is effective with smaller, culturally diverse communities that seek to increase the productivity and success of new immigrant and minority populations living and working in the community. Programs shall provide minority business growth and capacity

building that generate wealth and jobs creation for local residents and business owners on the East Side of St. Paul.

(2) In fiscal year 2019 ESEC shall use funds to share its integrated service model and evolving collaboration principles with civic and economic development leaders in greater Minnesota communities which have diverse populations similar to the East Side of St. Paul. ESEC shall submit a report of activities and program outcomes, including quantifiable measures of success annually to the house of representatives and senate committees with jurisdiction over economic development.

(cc) \$150,000 in fiscal year 2018 is for a grant to Mille Lacs County for the purpose of reimbursement grants to small resort businesses located in the city of Isle with less than \$350,000 in annual revenue, at least four rental units, which are open during both summer and winter months, and whose business was adversely impacted by a decline in walleye fishing on Lake Mille Lacs.

(dd)(1) \$250,000 in fiscal year 2018 is for a grant to the Small Business Development Center hosted at Minnesota State University, Mankato, for a collaborative initiative with the Regional Center for Entrepreneurial Facilitation. Funds available under this section must be used to provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. For the purposes of this section, "direct professional business assistance services" must include, but is not limited to, pre-venture assistance for individuals considering starting a business. This appropriation is not available until the commissioner determines that an equal amount is committed from nonstate sources. Any balance in the first year does not cancel

and is available for expenditure in the second year.

(2) Grant recipients shall report to the commissioner by February 1 of each year and include information on the number of customers served in each county; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates in each county. By April 1 of each year, the commissioner shall report the information submitted by grant recipients to the chairs of the standing committees of the house of representatives and the senate having jurisdiction over economic development issues.

(ee) \$500,000 in fiscal year 2018 is for the central Minnesota opportunity grant program established under Minnesota Statutes, section 116J.9922. This appropriation is available until June 30, 2022.

(ff) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

Sec. 7. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, as amended by Laws 2019, First Special Session chapter 12, section 4, and Laws 2020, chapter 112, section 1, is amended to read:

Subd. 2. <b>Business and Community Development</b>	44,931,000	42,381,000
Appropriations by Fund		
General	40,756,000	38,206,000
Remediation	700,000	700,000
Workforce Development	3,475,000	3,475,000

(a) \$1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2023.

(b) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(c) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(d) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(e) \$139,000 each year is for the Center for Rural Policy and Development.

(f) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(g) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h) \$125,000 each year is from the workforce development fund for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(i) \$450,000 each year is from the workforce development fund for a grant to Enterprise Minnesota, Inc. for the small business growth

acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(j) \$250,000 the first year is for a grant to the Rondo Community Land Trust for improvements to leased commercial space in the Selby Milton Victoria Project that will create long-term affordable space for small businesses and for build-out and development of new businesses.

(k) \$400,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(l) \$750,000 in fiscal year 2020 is for grants to local communities to increase the supply of quality child care providers to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this section must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers in the area. This is a onetime appropriation. Within one year of receiving grant funds, grant recipients

must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested.

(m) \$750,000 in fiscal year 2020 is for a grant to the Minnesota Initiative Foundations. This is a onetime appropriation and is available until June 30, 2023. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; or

(4) recruit child care programs to participate in Parent Aware, Minnesota's quality and improvement rating system, and other high quality measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development

opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through Parent Aware or other high quality measurement programs.

(n)(1) \$650,000 each year from the workforce development fund is for grants to the Neighborhood Development Center for small business programs. This is a onetime appropriation.

(2) Of the amount appropriated in the first year, \$150,000 is for outreach and training activities outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

(o) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended.

(p)(1) \$11,970,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2022 and beyond, the base amount is \$12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, funds appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(2) Of the amount appropriated in the first year, ~~\$2,000,000~~ \$3,000,000 is for a loan to a paper mill in Duluth for a retrofit project that will support the ~~operation and manufacture of packaging~~ conversion of the existing Duluth paper mill for the manufacture of new paper grades. The company that owns the paper mill must ~~spend \$20,000,000 on~~ invest \$25,000,000 in project activities by ~~December 31, 2020~~ May 1, 2023, in order to be eligible to receive this loan. Loan funds may be used for purchases of materials, supplies, and equipment for the project and are available from ~~July 1, 2019~~ April 1, 2021, to ~~July 30, 2021~~ May 1, 2023. The commissioner of employment and economic development shall forgive 25 percent of the loan each year after the second year during a five-year period if the mill has retained at least ~~150~~ 80 full-time equivalent employees and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(q) \$700,000 in fiscal year 2020 is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439.

(r) \$100,000 in fiscal year 2020 is for a grant to FIRST in Upper Midwest to support competitive robotics teams. Funds must be used to make up to five awards of no more than \$20,000 each to Minnesota-based public entities or private nonprofit organizations for the creation of competitive robotics hubs. Awards may be used for tools, equipment, and physical space to be utilized by robotics teams. At least 50 percent of grant funds must be used outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. The grant recipient shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic growth by February

1, 2021, on the status of awards and include information on the number and amount of awards made, the number of customers served, and any outcomes resulting from the grant. The grant requires a 50 percent match from nonstate sources.

(s) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(t) \$163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(u) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(v) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2023.

(w) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(x) \$1,350,000 each year is from the workforce development fund for jobs training grants under Minnesota Statutes, section 116L.42.

(y) \$2,500,000 each year is for Launch Minnesota. This is a onetime appropriation and funds are available until June 30, 2023. Of this amount:

(1) \$1,600,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$450,000 each year is for administration of Launch Minnesota; and

(3) \$450,000 each year is for grantee activities at Launch Minnesota.

(z) \$500,000 each year is from the workforce development fund for a grant to Youthprise to give grants through a competitive process to community organizations to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated East African populations. Such communities include but are not limited to Faribault, Rochester, St. Cloud, Moorhead, and Willmar. To the extent possible, Youthprise must make at least 50 percent of these grants to organizations serving communities located outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2. This is a onetime appropriation and is available until June 30, 2022.

(aa) \$125,000 each year is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. This is a onetime appropriation.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2019.

Sec. 8. Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. <b>Workers' Compensation</b>	14,882,000	11,882,000
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\$3,000,000 the first year is from the workers' compensation fund for workers' compensation system upgrades. This amount is available until June 30, ~~2021~~ 2023. This is a onetime appropriation.

Sec. 9. **MINNESOTA INVESTMENT FUND JOB CREATION GOALS EXTENSION.**

Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment Fund grant under Minnesota Statutes, section 116J.8731, who is unable to meet the job creation goals of the agreement during a peacetime emergency related to the COVID-19 pandemic shall be granted an extension until December 31, 2022, to meet those job creation goals before the grant must be repaid.

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

Sec. 10. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

(a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20 percent of the balance of that money to the state general fund before June 30, 2022. Any local entity that does so may then use the remaining 80 percent of the uncommitted money as a general purpose aid for any lawful expenditure.

(b) By February 15, 2023, a home rule charter or statutory city, county, or town that exercises the option under paragraph (a) shall submit to the chairs of the legislative committees with jurisdiction over economic development policy and finance an accounting and explanation of the use and distribution of the funds.

Sec. 11. **REOPENING OF BUSINESSES FOR SAFE OPERATION DURING COVID-19 PANDEMIC.**

Notwithstanding Executive Order 20-04, as extended, amended, and otherwise modified by Executive Order 20-08, Executive Order 20-18, Executive Order 20-33, Executive Order 20-99, and any related executive orders issued pursuant to Minnesota Statutes, section 12.21 or 12.31, a business closed to ingress, egress, use, and occupancy by members of the public pursuant to the executive orders listed may fully operate with no capacity limitations provided that the business:

(1) develops a COVID-19 safety plan, which shall provide site-specific best practices for the business including, but not limited to, health and wellness; social distancing; cleaning, sanitation, and protection; and operations and communications for employees and members of the public; and

(2) makes a good faith effort to maintain a safe and healthful workplace and business operation.

No board or licensing agency may impose any additional penalties for a violation of the governor's emergency executive orders.

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

Sec. 12. **STATEWIDE SMALL BUSINESS RELIEF LOAN GUARANTEE PROGRAM.**

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

(b) "Borrower" means a small business receiving an eligible loan under this section.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Eligible loan" means a loan to a small business to be used for business purposes exclusively in Minnesota, including: machinery or equipment purchases, maintenance, or repair; expenses related to moving into or within Minnesota; property improvements or repairs; and working capital when the working capital is secured by fixed assets when possible. Loans may not be used to finance the transfer of ownership of real properties or businesses.

(e) "Loan guarantee" means a guarantee of 80 percent of the loan amount provided by a QED lender that is guaranteed for a maximum period of seven years from the date of origination of the loan. The guaranteed portion of the loan must not exceed \$200,000, and may be subordinate to other loans made by lenders in the overall financing package.

(f) "Loan guarantee trust fund" means a dedicated fund established under this section for the purpose of compensation for defaulted loan guarantees and for program administration.

(g) "Qualified economic development lender" or "QED lender" means a bank or other commercial lender, a public entity, or a private nonprofit economic development organization with not less than three years of active lending experience that provides financing to small businesses.

(h) "Small business" means a business employing no more than the equivalent of 250 full-time persons in Minnesota.

(i) "Subordinated loan" means a loan secured by a lien that is lower in priority than one or more specified other liens.

Subd. 2. **Loan guarantee program.** A small business loan guarantee program to support the origination of small business loans that are expected to be made to Minnesota businesses by a QED lender is created in the Department of Employment and Economic Development. The loan guarantee shall apply only to the portion of the loan that was made by the QED lender.

Subd. 3. **Required provisions.** Loan guarantees under this section for loans by QED lenders shall provide that:

(1) principal and interest payments made by the borrower under the terms of the loan are to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis. The nonguaranteed portion shall not receive preferential treatment over the guaranteed portion;

(2) the QED lender shall not accelerate repayment of the loan or exercise other remedies if the borrower defaults, unless:

(i) the borrower fails to make a required payment of principal or interest within 60 days of the due date;

(ii) the commissioner consents in writing; or

(iii) the loan guarantee agreement provides for accelerated repayment or other remedies.

In the event of a default, the QED lender may not make a demand for payment pursuant to the guarantee unless the commissioner agrees in writing that the default has materially affected the rights or security of the parties;

(3) the QED lender has timely prepared and delivered to the commissioner, annually by the date specified in the loan guarantee, an audited or reviewed financial statement for the loan, prepared by a certified public accountant according to generally accepted accounting principles, if available, and documentation that the borrower used the loan proceeds solely for purposes of its Minnesota operations;

(4) the commissioner has access to the loan documents prior to approval of the state credit enhancement;

(5) the QED lender maintains adequate records and documents concerning the loan so that the commissioner may determine the borrower's financial condition and compliance with program requirements;

(6) interest is not charged to the small business borrower during the first 12 months of the loan term;

(7) an amount equal to the foregone interest under clause (6) is provided to the QED lender by the commissioner; and

(8) orderly liquidation of collateral securing the loan is provided for in the event of default, with an option on the part of the commissioner to acquire the QED lender's interest in the assets pursuant to the loan guarantee.

Subd. 4. **Loan guarantee trust fund established.** A loan guarantee trust fund account in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees. The commissioner shall administer this fund and provide annual reports concerning the performance of the fund to the chairs of the standing committees of the house of representatives and senate having jurisdiction over economic development issues.

Subd. 5. **Limitation.** The commissioner must accept loans up to but not exceeding \$250,000,000.

Subd. 6. **Guarantee fee.** Participating QED lenders shall pay a fee to the fund of 0.25 percent of the principal amount of each guaranteed loan upon approval of each loan guarantee. The guarantee fee, along with any interest earnings from the trust fund, shall be used only for the administration of the small business loan guarantee program and as additional loan loss reserves.

Subd. 7. **Loan guarantee application.** The commissioner shall prepare a form for QED lenders to use in applying for loan guarantees under this section. The form shall include the following information:

(1) the name and contact information for the QED lender, including the name and title of a contact person;

(2) the names of the financial institutions, including the names and titles of contact persons, that are participating in the total financing being provided to the small business borrower, along with the dollar amount of the loan provided by the financial institution;

(3) the percentage and dollar amount of the subordinated debt loan provided to the Minnesota small business by the QED lender;

(4) the loan guarantee amount that is requested from the program;

(5) foregone interest due from the small business borrower during the first 12 months of the loan term; and

(6) other information as requested by the commissioner.

Subd. 8. **Notice and application process.** Subject to the availability of funds under subdivision 4, the commissioner shall publish a notice regarding the opportunity for QED lenders to originate loans. The commissioner shall decide whether to provide a loan guarantee for each loan based on:

(1) the completeness of the loan guarantee application;

(2) the availability of funds in the loan guarantee trust fund; and

(3) execution of agreements that satisfy requirements established in subdivision 3.

Subd. 9. **Reporting.** By January 15, 2025, the commissioner shall report to the legislative committees with jurisdiction over economic development policy and finance on the loan guarantees provided under this section.

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

## ARTICLE 4

### UNEMPLOYMENT INSURANCE

Section 1. Minnesota Statutes 2020, section 268.035, subdivision 21c, is amended to read:

Subd. 21c. **Reemployment assistance training.** (a) An applicant is in "reemployment assistance training" when:

(1)(i) a reasonable opportunity for suitable employment for the applicant does not exist in the labor market area and additional training will assist the applicant in obtaining suitable employment;

~~(2)~~ (ii) the curriculum, facilities, staff, and other essentials are adequate to achieve the training objective;

~~(3)~~ (iii) the training is vocational or short term academic training directed to an occupation or skill that will substantially enhance the employment opportunities available to the applicant in the applicant's labor market area;

~~(4)~~ (iv) the training course is full time by the training provider; and

~~(5)~~ (v) the applicant is making satisfactory progress in the training;

(2) the applicant can provide proof of enrollment in one or more programs offered by an adult basic education consortium under section 124D.518. Programs may include but are not limited to:

(i) general educational development diploma preparation;

(ii) local credit completion adult high school diploma preparation;

(iii) state competency-based adult high school diploma preparation;

(iv) basic skills enhancement training focused on math, functional literacy, reading, or writing;

(v) computer skills training; or

(vi) English as a second language instruction;

(3) the applicant can provide proof of enrollment in an English as a second language program taught by a licensed instructor;

(4) the applicant can provide proof of enrollment in an over-the-road truck driving training program offered by a college or university within the Minnesota state system; or

(5) the applicant can provide proof of enrollment in a program funded under section 116L.99.

(b) Full-time training provided through the dislocated worker program, the Trade Act of 1974, as amended, or the North American Free Trade Agreement is "reemployment assistance training," if that training course is in accordance with the requirements of that program.

(c) Apprenticeship training provided in order to meet the requirements of an apprenticeship program under chapter 178 is "reemployment assistance training."

(d) An applicant is in reemployment assistance training only if the training course has actually started or is scheduled to start within 30 calendar days.

**EFFECTIVE DATE.** This section is effective the day following attainment of a positive balance in the unemployment insurance trust fund established in Minnesota Statutes, section 268.194, occurring after the date of enactment of this section.

Sec. 2. Minnesota Statutes 2020, section 268.085, subdivision 2, is amended to read:

Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

(1) that occurs before the effective date of a benefit account;

(2) that the applicant, at any time during the week, has an outstanding misrepresentation overpayment balance under section 268.18, subdivision 2, including any penalties and interest;

~~(3) that occurs in a period when the applicant is a student in attendance at, or on vacation from a secondary school including the period between academic years or terms;~~

~~(4)~~ (3) that the applicant is incarcerated or performing court-ordered community service. The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day the applicant is incarcerated or performing court-ordered community service;

~~(5)~~ (4) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268.101;

~~(6)~~ (5) that the applicant is performing services 32 hours or more, in employment, covered employment, noncovered employment, volunteer work, or self-employment regardless of the amount of any earnings; or

~~(7)~~ (6) with respect to which the applicant has filed an application for unemployment benefits under any federal law or the law of any other state. If the appropriate agency finally determines that the applicant is not entitled to establish a benefit account under federal law or the law of any other state, this clause does not apply.

**EFFECTIVE DATE.** This section is effective the day following attainment of a positive balance in the unemployment insurance trust fund established in Minnesota Statutes, section 268.194, occurring after the date of enactment of this section.

Sec. 3. Minnesota Statutes 2020, section 268.085, subdivision 4a, is amended to read:

Subd. 4a. **Social Security disability benefits.** (a) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week is ineligible for unemployment benefits for that week, unless:

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

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is available for suitable employment.

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

~~(c) If an applicant meets the requirements of paragraph (a), clause (2), there must be deducted from the applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary Social Security disability benefits the applicant is receiving, has received, or has filed for, with respect to that week.~~

~~If the Social Security Administration determines that the applicant is not entitled to receive primary Social Security disability benefits for any week the applicant has applied for those benefits, then this paragraph does not apply to that week.~~

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

~~(e)~~ (d) This subdivision does not apply to Social Security survivor benefits.

**EFFECTIVE DATE.** This section is effective the day following attainment of a positive balance in the unemployment insurance trust fund established in Minnesota Statutes, section 268.194, occurring after the date of enactment of this section.

Sec. 4. Minnesota Statutes 2020, section 268.133, is amended to read:

**268.133 UNEMPLOYMENT BENEFITS WHILE IN ENTREPRENEURIAL TRAINING.**

Unemployment benefits are available to dislocated workers participating in the converting layoffs into Minnesota businesses (CLIMB) program under section 116L.17, subdivision 11. Applicants participating in CLIMB are considered in reemployment assistance training under section 268.035, subdivision 21c. All requirements under section 268.069, subdivision 1, must be met, except the commissioner may waive:

(1) the deductible earnings provisions in section 268.085, subdivision 5; and

(2) the 32 hours of work limitation in section 268.085, subdivision 2, clause ~~(6)~~ (5). A maximum of 500 applicants may receive a waiver at any given time.

**EFFECTIVE DATE.** This section is effective the day following attainment of a positive balance in the unemployment insurance trust fund established in Minnesota Statutes, section 268.194, occurring after the date of enactment of this section.

Sec. 5. Minnesota Statutes 2020, section 268.136, subdivision 1, is amended to read:

Subdivision 1. **Shared work plan requirements.** An employer may submit a proposed shared work plan for an employee group to the commissioner for approval in a manner and format set by the commissioner. The proposed shared work plan must include:

(1) a certified statement that the normal weekly hours of work of all of the proposed participating employees were full time or regular part time but are now reduced, or will be reduced, with a corresponding reduction in pay, in order to prevent layoffs;

(2) the name and Social Security number of each participating employee;

(3) the number of layoffs that would have occurred absent the employer's ability to participate in a shared work plan;

(4) a certified statement that each participating employee was first hired by the employer at least ~~one year~~ three months before the proposed shared work plan is submitted and is not a seasonal, temporary, or intermittent worker;

(5) the hours of work each participating employee will work each week for the duration of the shared work plan, which must be at least 50 percent of the normal weekly hours but no more than 80 percent of the normal weekly hours, except that the plan may provide for a uniform vacation shutdown of up to two weeks;

(6) a certified statement that any health benefits and pension benefits provided by the employer to participating employees will continue to be provided under the same terms and conditions as though the participating employees' hours of work each week had not been reduced;

(7) a certified statement that the terms and implementation of the shared work plan is consistent with the employer's obligations under state and federal law;

(8) an acknowledgment that the employer understands that unemployment benefits paid under a shared work plan will be used in computing the future tax rate of a taxpaying employer or charged to the reimbursable account of a nonprofit or government employer;

(9) the proposed duration of the shared work plan, which must be at least two months and not more than one year, although a plan may be extended for up to an additional year upon approval of the commissioner;

(10) a starting date beginning on a Sunday at least 15 calendar days after the date the proposed shared work plan is submitted; and

(11) a signature of an owner or officer of the employer who is listed as an owner or officer on the employer's account under section 268.045.

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

Sec. 6. Laws 2020, chapter 71, article 2, section 20, is amended to read:

Sec. 20. **SUITABLE EMPLOYMENT DURING COVID-19 PANDEMIC.**

(a) Notwithstanding the definition of "suitable employment" provided in Minnesota Statutes, section 268.035, subdivision 23a, for an applicant applying for unemployment insurance benefits between March 1, 2020, and December 31, 2020, employment is not suitable under Minnesota Statutes, section 268.035, subdivision 23a, paragraphs (a) and (b), if:

(1) the employment puts the health and safety of the applicant at risk due to potential exposure of the applicant to COVID-19; or

(2) the employment puts the health and safety of other workers and the general public at risk due to potential exposure of the other workers and the general public to COVID-19.

(b) Notwithstanding Executive Order 20-05, as extended, amended, and otherwise modified by Executive Order 20-29 and Executive Order 20-102, the exception under this section expires on December 31, 2020.

**EFFECTIVE DATE.** This section is effective retroactively from December 30, 2020.

Sec. 7. Laws 2020, chapter 71, article 2, section 22, is amended to read:

**Sec. 22. TEMPORARY SUSPENSION OF FIVE-WEEK BUSINESS OWNER BENEFIT LIMITATION.**

Notwithstanding Executive Order 20-05, as extended, amended, and otherwise modified by Executive Order 20-29 and Executive Order 20-102, and Minnesota Statutes, section 268.085, subdivision 9, the five-week limitation for receipt of unemployment benefits for business owners is suspended for applicants for unemployment insurance benefit accounts established between March 1, 2020, and ~~December 31, 2020~~ September 6, 2021.

**EFFECTIVE DATE.** This section is effective retroactively from December 30, 2020.

Sec. 8. Laws 2020, chapter 71, article 2, section 23, is amended to read:

**Sec. 23. LEAVE OF ABSENCE DUE TO COVID-19.**

Notwithstanding Executive Order 20-05, as extended, amended, and otherwise modified by Executive Order 20-29 and Executive Order 20-102, and Minnesota Statutes, section 268.085, subdivision 13a, for an applicant applying for an unemployment insurance benefits account established between March 1, 2020, and ~~December 31, 2020~~ September 6, 2021, a leave of absence is presumed to be an involuntary leave of absence and not ineligible if:

(1) a determination has been made by health authorities or by a health care professional that the presence of the applicant in the workplace would jeopardize the health of others, whether or not the applicant has actually contracted a communicable disease;

(2) a quarantine or isolation order has been issued to the applicant pursuant to Minnesota Statutes, sections 144.419 to 144.4196;

(3) there is a recommendation from health authorities or from a health care professional that the applicant should self-isolate or self-quarantine due to elevated risk from COVID-19 due to being immunocompromised;

(4) the applicant has been instructed by the applicant's employer not to come to the employer's place of business due to an outbreak of a communicable disease; or

(5) the applicant has received a notification from a school district, day care, or other child care provider that either (i) classes are canceled, or (ii) the applicant's ordinary child care is unavailable, provided that the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation was available.

**EFFECTIVE DATE.** This section is effective retroactively from December 30, 2020.

**Sec. 9. REPEALER.**

Minnesota Statutes 2020, section 268.085, subdivision 4, is repealed.

**EFFECTIVE DATE.** This section is effective the day following attainment of a positive balance in the unemployment insurance trust fund established in Minnesota Statutes, section 268.194, occurring after the date of enactment of this section."

Delete the title and insert:

"A bill for an act relating to economic development; labor and industry; appropriating money for jobs and economic growth finance; classifying apprenticeship data on minors; modifying employee notice requirements; modifying state building code applicability and fire sprinkler requirements for public places of accommodation; authorizing the continued operation of businesses during the COVID-19 pandemic with the use of a COVID-19 safety plan; modifying the Minnesota business development public infrastructure grant program; extending certain job creation goals for Minnesota investment fund grants during the COVID-19 pandemic; modifying certain unemployment benefits provisions; amending Minnesota Statutes 2020, sections 12.32; 13.7905, by adding a subdivision; 116J.431, subdivisions 2, 3, by adding a subdivision; 178.012, subdivision 1; 181.032; 181.101; 181.939; 268.035, subdivision 21c; 268.085, subdivisions 2, 4a; 268.133; 268.136, subdivision 1; 326B.07, subdivision 1; 326B.106, subdivision 4; 326B.108, subdivisions 1, 3, by adding a subdivision; 326B.121, subdivision 2; 326B.133, subdivision 8; 326B.89, subdivision 4; Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended; Laws 2019, First Special Session chapter 7, article 1, sections 2, subdivision 2, as amended; 3, subdivision 4; Laws 2020, chapter 71, article 2, sections 20; 22; 23; proposing coding for new law in Minnesota Statutes, chapters 12; 181A; repealing Minnesota Statutes 2020, sections 181.9414; 268.085, subdivision 4."

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

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

**S.F. No. 1831:** A bill for an act relating to state government; changing a provision for the Legislative Reference Library; amending Minnesota Statutes 2020, section 3.302, subdivision 3.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**STATE GOVERNMENT APPROPRIATIONS**

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

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

	<u>2022</u>	<u>2023</u>
Sec. 2. <u>LEGISLATURE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 98,130,000</u>	<u>\$ 97,739,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Senate</u>	<u>37,430,000</u>	<u>37,545,000</u>
Subd. 3. <u>House of Representatives</u>	<u>38,857,000</u>	<u>38,857,000</u>
Subd. 4. <u>Legislative Coordinating Commission</u>	<u>21,843,000</u>	<u>21,337,000</u>

The base for this appropriation in fiscal year 2024 and each year thereafter is \$21,562,000.

\$190,000 the first year and \$170,000 the second year are for the Legislative Commission on Cybersecurity.

\$50,000 each year is to comply with accessibility standards pursuant to Minnesota Statutes, section 3.199. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The base for this appropriation in fiscal year 2024 and each year thereafter is \$250,000.

From its funds, \$10,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

Legislative Auditor. \$8,096,000 the first year and \$7,596,000 the second year are for the Office of the Legislative Auditor.

Of the amount in fiscal year 2021, \$500,000 is for the audit required under article 4, section 65. This is a onetime appropriation.

Within the resources that become available to the legislative auditor from the removal of responsibility for conducting the annual

single audit of federal funds, the legislative auditor must increase the number of special review staff by at least two full-time equivalents.

**Revisor of Statutes.** \$7,207,000 in each year is for the Office of the Revisor of Statutes.

**Legislative Reference Library.** \$1,775,000 in each year is for the Legislative Reference Library.

**Legislative Budget Office.** \$1,483,000 in each year is for the Legislative Budget Office.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR**

\$	<b><u>3,622,000</u></b>	\$	<b><u>3,622,000</u></b>
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(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) \$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. **STATE AUDITOR**

\$	<b><u>10,665,000</u></b>	\$	<b><u>10,602,000</u></b>
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Sec. 5. **ATTORNEY GENERAL**

\$	<b><u>26,629,000</u></b>	\$	<b><u>26,429,000</u></b>
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Appropriations by Fund

2022

2023



appropriation is \$1,400,000 in fiscal years 2024 and 2025.

(b) The commissioner of management and budget is authorized to provide cash flow assistance of up to \$50,000,000 from the special revenue fund or other statutory general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of MN.IT Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the fiscal year 2023 closing period.

(c) During the biennium ending June 30, 2023, Office of MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. ADMINISTRATION

<u>Subdivision 1. Total Appropriation</u>	\$	<u>25,709,000</u>	\$	<u>25,535,000</u>
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The base for this appropriation in fiscal year 2024 and each year thereafter is \$25,525,000.

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

<u>Subd. 2. Government and Citizen Services</u>		<u>10,251,000</u>		<u>10,077,000</u>
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\$174,000 the first year is for the repair and reinstallation of the statue of Christopher Columbus and its pedestal required under article 2, section 81. This is a onetime appropriation and is available until June 30, 2023.

**Council on Developmental Disabilities.**  
\$74,000 each year is for the Council on Developmental Disabilities.

**State Agency Accommodation Reimbursement.** \$200,000 the first year and \$200,000 the second year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

**State Historic Preservation Office.**

\$10,000 each year is for the State Historic Preservation Office to install flag poles and staffs and to purchase United States and Minnesota state flags to satisfy the requirements in Minnesota Statutes, section 138.6675. This is a onetime appropriation.

<b><u>Subd. 3. Strategic Management Services</u></b>	<u>2,124,000</u>	<u>2,124,000</u>
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<b><u>Subd. 4. Fiscal Agent</u></b>	<u>13,334,000</u>	<u>13,334,000</u>
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The appropriations under this section are to the commissioner of administration for the purposes specified.

**In-Lieu of Rent.** \$10,515,000 in each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

**Public Television.** (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

**Public Radio.** (a) \$392,000 each year is for community service grants to public educational radio stations. This appropriation

may be used to disseminate emergency information in foreign languages.

(b) \$117,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(c) \$510,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(d) The appropriations in paragraphs (a) to (c) may not be used for indirect costs claimed by an institution or governing body.

(e) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) and (b). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2021.

(f) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

<b><u>Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD</u></b>	<b><u>\$</u></b>	<b><u>351,000</u></b>	<b><u>\$</u></b>	<b><u>351,000</u></b>
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<b><u>Sec. 13. MINNESOTA MANAGEMENT AND BUDGET</u></b>	<b><u>\$</u></b>	<b><u>25,299,000</u></b>	<b><u>\$</u></b>	<b><u>25,299,000</u></b>
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The commissioner of management and budget must reduce executive budget officer staffing levels by six full-time equivalents.

<b><u>Sec. 14. REVENUE</u></b>				
<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>162,271,000</u></b>	<b><u>\$</u></b>	<b><u>162,271,000</u></b>

<u>Appropriations by Fund</u>		
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>158,057,000</u>	<u>158,057,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>259,000</u>	<u>259,000</u>
<b><u>Subd. 2. Tax System Management</u></b>		
	<u>133,924,000</u>	<u>133,924,000</u>

<u>Appropriations by Fund</u>		
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>129,710,000</u>	<u>129,710,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>259,000</u>	<u>259,000</u>

**Taxpayer Assistance.** (a) \$400,000 each year is for the commissioner of revenue to make grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

<b><u>Subd. 3. Debt Collection Management</u></b>		<u>28,347,000</u>	<u>28,347,000</u>
<b><u>Sec. 15. GAMBLING CONTROL</u></b>	<b><u>\$</u></b>	<b><u>5,728,000</u></b>	<b><u>\$ 5,123,000</u></b>

These appropriations are from the lawful gambling regulation account in the special revenue fund. The base for this appropriation in fiscal year 2024 is \$5,093,000. The base

for this appropriation in fiscal year 2025 and each year thereafter is \$4,923,000.

\$865,000 the first year and \$260,000 the second year are to create an information system and to update the board's website. The base for this appropriation in fiscal year 2024 is \$230,000. The base for this appropriation in fiscal year 2025 and each year thereafter is \$60,000.

Sec. 16. <u>RACING COMMISSION</u>	<u>\$</u>	<u>913,000</u>	<u>\$</u>	<u>913,000</u>
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These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Sec. 17. STATE LOTTERY

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed \$36,500,000 in fiscal year 2022 and \$36,500,000 in fiscal year 2023.

Sec. 18. <u>AMATEUR SPORTS COMMISSION</u>	<u>\$</u>	<u>306,000</u>	<u>\$</u>	<u>306,000</u>
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Sec. 19. <u>COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE</u>	<u>\$</u>	<u>532,000</u>	<u>\$</u>	<u>532,000</u>
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Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u>	<u>\$</u>	<u>525,000</u>	<u>\$</u>	<u>525,000</u>
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Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC MINNESOTANS</u>	<u>\$</u>	<u>515,000</u>	<u>\$</u>	<u>515,000</u>
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Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	<u>\$</u>	<u>846,000</u>	<u>\$</u>	<u>846,000</u>
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Sec. 23. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>23,768,000</u>	<u>\$</u>	<u>23,518,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Programs</u>		<u>23,197,000</u>		<u>23,197,000</u>
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**Subd. 3. Fiscal Agent**

<u>(a) Global Minnesota</u>	<u>39,000</u>	<u>39,000</u>
<u>(b) Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
<u>(c) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
<u>(d) Farmamerica</u>	<u>365,000</u>	<u>115,000</u>

\$250,000 the first year is for site improvements, including classroom, upgrades, visitor center remodeling, and expanded agricultural literacy programming.

<u>(e) Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>
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Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

**Sec. 24. BOARD OF THE ARTS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>7,541,000</u>	<u>\$</u>	<u>7,541,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Operations and Services</u>	<u>602,000</u>	<u>602,000</u>
<u>Subd. 3. Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
<u>Subd. 4. Regional Arts Councils</u>	<u>2,139,000</u>	<u>2,139,000</u>

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

<u>Sec. 25. MINNESOTA HUMANITIES CENTER</u>	<u>\$</u>	<u>375,000</u>	<u>\$</u>	<u>375,000</u>
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<u>Sec. 26. BOARD OF ACCOUNTANCY</u>	<u>\$</u>	<u>675,000</u>	<u>\$</u>	<u>675,000</u>
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<u>Sec. 27. BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$</u>	<u>851,000</u>	<u>\$</u>	<u>851,000</u>
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**Subd. 2. Combined Legislators and Constitutional Officers Retirement Plan**8,886,0008,878,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

**Subd. 3. Judges Retirement Plan**6,000,0006,000,000

For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

**Sec. 33. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**\$15,000,000\$ 15,000,000

(a) \$9,000,000 in each year is for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are \$6,000,000 on September 15, 2021, and \$6,000,000 on September 15, 2022. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

**Sec. 34. TEACHERS RETIREMENT ASSOCIATION**\$29,831,000\$ 29,831,000

The amounts estimated to be needed are as follows:

**Special Direct State Aid.** \$27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

**Special Direct State Matching Aid.**

\$2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

**Sec. 35. ST. PAUL TEACHERS RETIREMENT FUND**

**\$ 14,827,000 \$ 14,827,000**

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

**Sec. 36. APPROPRIATION; DEPARTMENT OF ADMINISTRATION.**

\$5,499,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of administration to reimburse the Federal Emergency Management Agency for the real property described in article 2, section 80. This is a onetime appropriation and is available until June 30, 2022.

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

**Sec. 37. APPROPRIATION; SECRETARY OF STATE.**

\$919,000 in fiscal year 2021 is appropriated from the general fund to the secretary of state to implement the requirements of article 4. This is a onetime appropriation and is available until June 30, 2022.

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

**Sec. 38. HAVA APPROPRIATIONS; MODIFICATION.**

(a) Notwithstanding any law to the contrary, the secretary of state must use all unobligated amounts in the Help America Vote Act account appropriated under Laws 2019, First Special Session chapter 10, article 1, section 40, to make grants to political subdivisions for the purchase of election equipment in the manner prescribed under Minnesota Statutes, section 206.95. Expenditures under this section are subject to the federal Omnibus Appropriations Act of 2018, Public Law 115-1410. These funds are available until March 23, 2023.

(b) Notwithstanding any law to the contrary, the secretary of state must use all unobligated amounts in the Help America Vote Act account appropriated under Laws 2020, chapter 77, section 3, to make grants to political subdivisions for the purchase of election equipment in the manner prescribed under Minnesota Statutes, section 206.95. Expenditures under this section are subject to the federal Consolidated Appropriations Act, 2020, Public Law 116-93, Title V. These funds are available until December 21, 2024.

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

Sec. 39. CANCELLATION; FISCAL YEAR 2021.

(a) \$379,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 10 is canceled.

(b) \$300,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 11, subdivision 1 is canceled. This amount is from the fiscal year 2021 appropriation for government and citizen services.

(c) \$1,367,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 13 is canceled.

(d) \$8,274,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 14, subdivision 1 is canceled. Of this amount, \$7,305,000 is from the fiscal year 2021 appropriation for tax system management, and \$969,000 is from the fiscal year 2021 appropriation for debt collection management.

(e) \$86,000 of the fiscal year 2020 general fund appropriation for moving and relocation expenses under Laws 2019, First Special Session chapter 10, article 1, section 24, subdivision 2, as amended by Laws 2020, chapter 104, article 2, section 4 is canceled.

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

Sec. 40. CANCELLATIONS; ITA ACCOUNT.

(a) \$179,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the general fund.

(b) \$14,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the workers' compensation fund.

(c) \$5,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the state government special revenue fund.

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

## ARTICLE 2

### STATE GOVERNMENT OPERATIONS

Section 1. Minnesota Statutes 2020, section 3.302, subdivision 3, is amended to read:

Subd. 3. **State documents.** The library is a depository of all documents published by the state and shall receive them automatically without cost to the legislature or library. As used in this chapter, "document" includes any publication issued by the state, constitutional officers, departments, commissions, councils, bureaus, research centers, societies, task forces, including advisory task forces created under section 15.014 or 15.0593, or other agencies supported by state funds, or any publication prepared for the state by private individuals or organizations considered to be of interest

or value to the library. Intraoffice or interoffice memos and forms and information concerning only the internal operation of an agency are not included.

Sec. 2. Minnesota Statutes 2020, section 3.303, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The Legislative Coordinating Commission is created to coordinate the legislative activities of the senate and house of representatives and the joint legislative commissions, committees, offices, and task forces.

Sec. 3. Minnesota Statutes 2020, section 3.8853, subdivision 4, is amended to read:

Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the supreme court, must promptly supply data ~~that are used to~~ used by the agency to prepare or necessary for the Legislative Budget Office to review or prepare a fiscal note, including data that are not public data under section 13.64 or other applicable law, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. Not public data supplied under this subdivision may only be used by the Legislative Budget Office to review a department or agency's work in preparing a fiscal note and may not be used or disseminated for any other purpose, including use by or dissemination to a legislator or to any officer, department, agency, or committee within the legislative branch. Violation of this subdivision by the director or other staff of the Legislative Budget Office is cause for removal, suspension without pay, or immediate dismissal at the direction of the oversight commission.

Sec. 4. Minnesota Statutes 2020, section 3.8853, is amended by adding a subdivision to read:

Subd. 4a. **Access employees.** Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the supreme court, must permit reasonable access to employees with subject matter expertise to assist the Legislative Budget Office prepare and review fiscal notes or enacted legislation.

Sec. 5. **[3.888] LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **Membership.** The Legislative Commission on Cybersecurity consists of the following eight members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader; and

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house.

Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term beginning upon appointment and expiring on appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 3. **Duties.** The commission shall provide oversight of the state's cybersecurity measures. The commission shall review the policies and practices of state agencies with regard to cybersecurity and may recommend changes in policy to adequately protect the state from cybersecurity threats. The commission may develop recommendations and draft legislation to support and strengthen the state's cybersecurity infrastructure.

Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members present. If the commission is unable to elect a chair by a majority vote at its first meeting of a biennium, the ranking member of the majority party shall serve as chair. The officers shall alternate between a member of the senate and a member of the house of representatives. A chair shall serve a two-year term expiring upon election of a new chair after the opening of the next regular session of the legislature in the odd-numbered year.

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's cybersecurity. The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting.

Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the commission.

Subd. 7. **Expiration.** The commission expires December 31, 2028.

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

Sec. 6. Minnesota Statutes 2020, section 3.971, subdivision 2, is amended to read:

Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial Audits Division and a Program Evaluation Division to fulfill the duties prescribed in this section.

(b) Each division may be supervised by a deputy auditor, appointed by the legislative auditor, with the approval of the commission, for a term coterminous with the legislative auditor's term. The deputy auditors may be removed before the expiration of their terms only for cause. The legislative auditor and deputy auditors may each appoint ~~a confidential secretary~~ an administrative support specialist to serve at pleasure. The salaries and benefits of the legislative auditor, deputy auditors, and ~~confidential secretaries~~ administrative support specialists shall be determined by the compensation plan approved by the Legislative Coordinating Commission. The deputy auditors may perform and exercise the powers, duties and responsibilities imposed by law on the legislative auditor when authorized by the legislative auditor.

~~(c) The legislative auditor must appoint a fiscal oversight officer with duties that include performing the review under section 3.972, subdivision 4.~~

~~(c)~~ (c) The legislative auditor, deputy auditors, and the confidential secretaries administrative support specialists shall serve in the unclassified civil service, but the fiscal oversight officer and all other employees of the legislative auditor are shall serve in the classified civil service. Compensation for employees of the legislative auditor in the classified service shall be governed

by a plan prepared by the legislative auditor and approved by the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 3.

~~(e)~~ (d) While in office, a person appointed deputy for the Financial Audit Division must hold an active license as a certified public accountant.

(e) Notwithstanding Minnesota Statutes, section 43A.32, subdivisions 2 and 3, or any other law to the contrary, an employee of the legislative auditor is prohibited from being a candidate for an elected public office.

Sec. 7. Minnesota Statutes 2020, section 3.971, is amended by adding a subdivision to read:

Subd. 8a. **Special reviews.** The legislative auditor may conduct a special review to: (1) fulfill a legal requirement; (2) investigate allegations that an individual or organization subject to audit by the legislative auditor may not have complied with legal requirements related to the use of public money, other public resources, or government data classified as not public; (3) respond to a legislative request for a review of an organization or program subject to audit by the legislative auditor; or (4) investigate allegations that an individual may not have complied with section 43A.38 or 43A.39.

Sec. 8. Minnesota Statutes 2020, section 3.972, subdivision 2, is amended to read:

~~Subd. 2. **Audits of state and semistate agencies.** The legislative auditor shall make a constant, as resources permit, audit of all the financial affairs activities of (1) all departments and agencies of, offices, and other organizations in the state; executive branch; (2) courts, offices, and other organizations in the state judicial branch; and of the financial records and transactions of (3) public boards, associations, and societies, and other public organizations created by state law or supported, wholly or in part, by state funds. Once in each year, if funds and personnel permit, without previous notice, The legislative auditor shall visit each state department and agency, association or society and, so far as practicable,~~

~~(1) inspect;~~

~~(2) thoroughly examine its books and accounts, verifying the funds, securities, and other assets;~~

~~(3) check the items of receipts and disbursements with its voucher records;~~

~~(4) ascertain the character of the official bonds for its officers and the financial ability of the bonding institution;~~

~~(5) inspect its sources of revenue and the use and disposition of state appropriations and property;~~

~~(6) investigate the methods of purchase and sale and the character of contracts on public account;~~

~~(7) ascertain proper custody and depository for its funds and securities;~~

~~(8) verify the inventory of public property and other assets held in trust; and~~

~~(9) ascertain that all financial transactions and operations involving the public funds and property of the state comply with the spirit and purpose of the law, are sound by modern standards of financial management, and are for the best protection of the public interest funds and other public resources.~~

Sec. 9. Minnesota Statutes 2020, section 3.972, subdivision 2a, is amended to read:

Subd. 2a. **Audits of Department of Human Services.** ~~(a)~~ To ensure ~~continuous~~ effective legislative oversight and accountability, the legislative auditor shall give high priority to auditing the programs, services, and benefits administered by the Department of Human Services. ~~The audits shall determine whether~~ As resources permit, the legislative auditor shall track and assess expenditures throughout the human service delivery system, from the department offered to the point of service delivery, and determine whether human services programs and provided, services, and benefits are being provided cost-effectively and only to eligible persons individuals and organizations, and ~~and~~ complied in compliance with applicable legal requirements.

~~(b) The legislative auditor shall, based on an assessment of risk and using professional standards to provide a statistically significant sample, no less than three times each year, test a representative sample of persons enrolled in a medical assistance program or MinnesotaCare to determine whether they are eligible to receive benefits under those programs. The legislative auditor shall report the results to the commissioner of human services and recommend corrective actions. The commissioner shall provide a response to the legislative auditor within 20 business days, including corrective actions to be taken to address any problems identified by the legislative auditor and anticipated completion dates. The legislative auditor shall monitor the commissioner's implementation of corrective actions and periodically report the results to the Legislative Audit Commission and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance. The legislative auditor's reports to the commission and the chairs and ranking minority members must include recommendations for any legislative actions needed to ensure that medical assistance and MinnesotaCare benefits are provided only to eligible persons.~~

Sec. 10. Minnesota Statutes 2020, section 3.9741, subdivision 5, is amended to read:

Subd. 5. **State Data security; account; appropriation.** ~~(a)~~ The data security account is created in the special revenue fund. Money in the account is appropriated to the legislative auditor.

~~(b) Subject to available funds appropriated under paragraph (a), the legislative auditor shall:~~

~~(1) review and audit the audit reports of subscribers and requesters submitted under section 168.327, subdivision 6, including producing findings and opinions;~~

~~(2) in collaboration with the commissioner and affected subscribers and requesters, recommend corrective action plans to remediate any deficiencies identified under clause (1); and~~

~~(3) review and audit driver records subscription services and bulk data practices of the Department of Public Safety, including identifying any deficiencies and making recommendations to the commissioner.~~

~~(c) The legislative auditor shall submit any reports, findings, and recommendations under this subdivision to the legislative commission on data practices.~~

Sec. 11. Minnesota Statutes 2020, section 3.978, subdivision 2, is amended to read:

Subd. 2. **Inquiry and inspection power; duty to aid legislative auditor.** All public officials and their deputies and employees, and all corporations, firms, and individuals having business

involving the receipt, disbursement, or custody of public funds shall at all times afford reasonable facilities for examinations by the legislative auditor, make returns and reports required by the legislative auditor, attend and answer under oath the legislative auditor's lawful inquiries, produce and exhibit all books, accounts, documents, data of any classification, and property that the legislative auditor ~~may need~~ requests to inspect, and in all things ~~and~~ cooperate with the legislative auditor ~~in~~ the performance of duties.

Sec. 12. Minnesota Statutes 2020, section 3.979, subdivision 3, is amended to read:

Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit, ~~review,~~ program evaluation, ~~best practices~~ special review, or investigation. Data relating to an audit are not public or with respect to data on individuals are confidential until the final report of the audit has been released by the legislative auditor or the audit is no longer being actively pursued. Upon release of a final audit report by the legislative auditor, data relating to an audit are public except data otherwise classified as not public.

(b) Data related to an audit but not published in the audit report and that the legislative auditor reasonably believes will be used in litigation are not public and with respect to data on individuals are confidential until the litigation has been completed or is no longer being actively pursued.

(c) ~~Data on individuals~~ that could reasonably be used to determine the identity of an individual supplying data for an audit are private if the data supplied by the individual were needed for an audit and the individual would not have provided the data to the legislative auditor without an assurance that the individual's identity would remain private, or the legislative auditor reasonably believes that the subject would not have provided the data.

(d) The definitions of terms provided in section 13.02 apply for purposes of this subdivision.

Sec. 13. Minnesota Statutes 2020, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the supreme court, shall prepare a fiscal note consistent with the standards and procedures adopted under section 3.8853, at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance, and as assigned by the director of the Legislative Budget Office. The Legislative Budget Office may prepare a fiscal note if an agency does not comply with this subdivision.

(b) For purposes of this subdivision, "supreme court" includes all agencies, committees, and commissions supervised or appointed by the state supreme court or the state court administrator.

Sec. 14. [5.42] DISPLAY OF BUSINESS ADDRESS ON WEBSITE.

(a) The secretary of state must not display on its website the addresses of an eligible business entity that has made a written request to have the addresses omitted from the website. A business entity is eligible to have all addresses omitted from display if the entity certifies that:

(1) there is only one shareholder, member, manager, or owner of the business entity;

(2) the shareholder, manager, member, or owner is a natural person; and

(3) at least one of the addresses provided is the residential address of the sole shareholder, manager, member, or owner.

The secretary of state shall post a notice that this option is available and a link to the form needed to make a request on the secretary's website. The secretary of state shall also attach a copy of the request form to all business filing forms provided in a paper format that require a business entity to submit an address.

(b) This section does not change the classification of data under chapter 13 and addresses shall be made available to the public in response to requests made by telephone, mail, e-mail, and facsimile transmission.

**EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to business entity filings filed with the secretary of state on or after that date.

Sec. 15. Minnesota Statutes 2020, section 12.31, subdivision 2, is amended to read:

Subd. 2. **Declaration of peacetime emergency.** (a) The governor may declare a peacetime emergency. A peacetime declaration of emergency may be declared only when an act of nature, a technological failure or malfunction, a terrorist incident, an industrial accident, a hazardous materials accident, or a civil disturbance endangers life and property and local government resources are inadequate to handle the situation. If the peacetime emergency occurs on Indian lands, the governor or state director of emergency management shall consult with tribal authorities before the governor makes such a declaration. Nothing in this section shall be construed to limit the governor's authority to act without such consultation when the situation calls for prompt and timely action. When the governor declares a peacetime emergency, the governor must immediately notify the majority and minority leaders of the senate and the speaker and majority and minority leaders of the house of representatives. A peacetime emergency must not be continued for more than five days unless extended by resolution of the Executive Council for up to an additional 25 days for a cumulative total of 30 days. An order, or proclamation declaring, continuing, or terminating an emergency must be given prompt and general publicity and filed with the secretary of state.

(b) The governor shall not extend a peacetime emergency beyond the 30 days provided in paragraph (a), unless the extension is approved by majority vote of each house of the legislature; the legislature may terminate a peacetime emergency extending beyond 30 days. The governor may make additional proposals to extend the peacetime emergency, and the legislature may, by majority vote of each house, extend the peacetime emergency for up to an additional 30 days per proposal. If the governor determines a need to extend the peacetime emergency declaration beyond 30 days or beyond a peacetime emergency declaration extended by up to 30 days by the legislature under this paragraph and the legislature is not sitting in session, the governor must provide at least three days' notice to the majority and minority leaders in both houses of the legislature of the governor's intent to issue a call immediately convening both houses of the legislature. Nothing in this section limits the governor's authority over or command of the National Guard as described in the Military Code, chapters 190 to 192A, and required by the Minnesota Constitution, article V, section 3.

(c) The governor shall not allow a peacetime emergency declaration to expire and declare a new peacetime emergency for the same emergency in an effort to avoid obtaining legislative approval for an extension of a peacetime emergency as provided under this subdivision.

(d) If a peacetime emergency declaration is in effect under this subdivision and the governor determines the need to declare an additional, separate peacetime emergency in response to a different event than the event for which the first emergency was declared, the governor is not required to make an additional declaration under this subdivision for the second peacetime emergency except for purposes of receiving federal aid under section 12.22. A second peacetime emergency declared under this paragraph shall be effective for the duration of the first peacetime emergency declaration. An extension of either the first or second peacetime emergency declaration, or both, under this paragraph is subject to legislative approval as required in paragraph (b).

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

Sec. 16. Minnesota Statutes 2020, section 13.64, subdivision 3, is amended to read:

Subd. 3. **Unofficial fiscal note.** (a) For purposes of this subdivision, "unofficial fiscal note" means a fiscal note requested by or on behalf of a member of the legislature on draft language for a bill that has not been introduced. Unofficial fiscal notes are public data unless a classification under paragraph (b) applies.

(b) This paragraph applies if a request for an unofficial fiscal note is accompanied by a directive from the requester that the data be classified under this ~~paragraph~~ subdivision. Government data on the request, the bill draft, and the unofficial fiscal note are private data on individuals or nonpublic data, ~~provided except~~ that the data are accessible to, and may be disclosed by, the requester. If the proposed bill draft used to develop the unofficial fiscal note or an updated version is subsequently used for an introduced bill, or any legislation, including an amendment or a proposed bill, that any member of the legislature offers for consideration by a legislative committee introduced as a bill, included in an introduced bill, offered as an amendment, or otherwise distributed at a public meeting or event, or if an unofficial fiscal note is distributed at a public meeting or event, the fiscal note becomes public data.

(c) An agency must not share data that is classified under this subdivision as nonpublic data or private data on individuals with another agency without authorization from the bill author, as obtained from the director of the Legislative Budget Office. This paragraph supersedes any authorization to share data with the commissioner of management and budget under section 15.08 or 16A.06, subdivision 7, or other applicable law.

Sec. 17. Minnesota Statutes 2020, section 13.64, subdivision 4, is amended to read:

Subd. 4. **Fiscal note data must be shared with Legislative Budget Office.** A head or chief administrative officer of a department or agency of the state government, including the supreme court, must provide data that are used to prepare a fiscal note or for the Legislative Budget Office to review the accuracy of fiscal notes on enacted legislation, including data that are not public data under this section to the director of the Legislative Budget Office upon the director's request and consistent with section 3.8853, subdivision 4, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. The data must be supplied according to any standards and procedures adopted under section 3.8853, subdivision 3, including any standards and

procedures governing timeliness. Notwithstanding section 13.05, subdivision 9, a responsible authority may not require the Legislative Budget Office to pay a cost for supplying data requested under this subdivision.

Sec. 18. Minnesota Statutes 2020, section 14.05, subdivision 1, is amended to read:

Subdivision 1. **Authority to adopt original rules restricted.** Each agency shall adopt, amend, suspend, or repeal its rules in accordance with the procedures specified in sections 14.001 to 14.69, and only pursuant to specific authority delegated by law and in full compliance with its duties and obligations. If a law authorizing rules is repealed, the rules adopted pursuant to that law are automatically repealed on the effective date of the law's repeal unless there is another law authorizing the rules. Except as provided in ~~section 14.06~~ sections 14.388 and 14.3895, sections 14.001 to 14.69 shall not be specific authority for an agency to adopt, amend, suspend, or repeal rules.

**EFFECTIVE DATE.** This section is effective July 1, 2021, and applies to rules adopted on or after that date.

Sec. 19. Minnesota Statutes 2020, section 14.389, subdivision 5, is amended to read:

Subd. 5. **Option.** A law authorizing or requiring rules to be adopted under this section may refer specifically to this subdivision. If the law contains a specific reference to this subdivision, as opposed to a general reference to this section:

(1) the notice required in subdivision 2 must include a statement that a public hearing will be held if ~~100~~ 25 or more people request a hearing. The request must be in the manner specified in section 14.25; and

(2) if ~~100~~ 25 or more people submit a written request for a public hearing, the agency may adopt the rule only after complying with all of the requirements of chapter 14 for rules adopted after a public hearing.

**EFFECTIVE DATE.** This section is effective July 1, 2021, and applies to rules proposed on or after that date.

Sec. 20. Minnesota Statutes 2020, section 14.57, is amended to read:

#### **14.57 INITIATION; DECISION; AGREEMENT TO ARBITRATE.**

(a) An agency shall initiate a contested case proceeding when one is required by law. ~~Unless otherwise provided by law, An agency shall decide~~ submit a contested case ~~only to the Office of Administrative Hearings for disposition~~ in accordance with the contested case procedures of the Administrative Procedure Act. Upon initiation of a contested case proceeding, ~~an agency may, by order, provide that~~ the report or order of the administrative law judge constitutes the final decision in the case.

(b) As an alternative to initiating or continuing with a contested case proceeding, the parties, subsequent to agency approval, may enter into a written agreement to submit the issues raised to arbitration by an administrative law judge according to sections 572B.01 to 572B.31.

**EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to contested cases initiated on or after that date.

Sec. 21. Minnesota Statutes 2020, section 15.01, is amended to read:

**15.01 DEPARTMENTS OF THE STATE.**

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Commerce; the Department of Corrections; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Human Services; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

Sec. 22. **[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.

Sec. 23. **[15.761] SAVI PROGRAM.**

Subdivision 1. **Program established.** The state agency value initiative (SAVI) program is established to encourage state agencies to identify cost-effective and efficiency measures in agency programs and operations that result in cost savings for the state. All state agencies not separately authorized to carry forward operating funds may participate in this program.

Subd. 2. **Retained savings.** (a) In order to encourage innovation and creative cost savings by state employees, upon approval of the commissioner of management and budget, 50 percent of any appropriations for agency operations that remain unspent at the end of a biennium because of unanticipated innovation, efficiencies, or creative cost-savings may be carried forward and retained by the agency to fund specific agency proposals or projects. Agencies choosing to spend retained savings funds must ensure that project expenditures do not create future obligations beyond the amounts available from the retained savings. The retained savings must be used only to fund projects that directly support the performance of the agency's duties. This section does not restrict authority granted by other law to carry forward money for a different period or for different purposes.

(b) This section supersedes any contrary provision of section 16A.28.

Subd. 3. **Review process.** An agency may spend money for a project after:

(1) the agency has posted notice of spending for the proposed project on the agency website for at least 30 days;

(2) the commissioner of management and budget has approved spending money from the SAVI account for the project; and

(3) the commissioner has notified the Legislative Audit Commission for its review and comment.

Subd. 4. **SAVI-dedicated account.** Each agency that participates in the SAVI program shall have a SAVI-dedicated account in the special revenue fund, or other appropriate fund as determined by the commissioner of management and budget, into which the agency's savings are deposited. The agency will manage and review projects that are funded from this account. Money in the account is appropriated to the participating agency for purposes authorized by this section.

**EFFECTIVE DATE.** This section is effective June 30, 2022, and first applies to funds to be carried forward from the biennium ending June 30, 2022, to the biennium beginning July 1, 2022.

Sec. 24. **[16A.0465] LIMITING GROWTH IN STATE EMPLOYMENT BASED ON STATE POPULATION.**

The percentage growth of the total number of full-time equivalent positions employed by all executive branch state agencies from one fiscal year to the next must not exceed the percentage growth of the state population during the same time frame, as projected by the state demographer. "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.

Sec. 25. Minnesota Statutes 2020, section 16A.06, is amended by adding a subdivision to read:

Subd. 12. **Audit of state's use of federal funds; annual appropriation.** The commissioner shall contract with a qualified auditor to conduct the annual audit required by the United States Single Audit Act of 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156, and Title 2 United States Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). There is annually appropriated from the general fund to the commissioner an amount sufficient to pay the cost of the annual audit. The cost of the audit shall be billed to the agencies audited during the subsequent fiscal year. Amounts paid by state agencies shall be deposited to the general fund.

Sec. 26. Minnesota Statutes 2020, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$1,596,522,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount; and

~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been transferred into the fund; and~~

~~(6)~~ (5) the amount necessary to increase the Minnesota 21st century fund by not more than the difference between \$5,000,000 and the sum of the amounts credited and canceled to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum of all transfers under this section and all amounts credited or canceled under Laws 2020, chapter 71, article 1, section 11, equals \$20,000,000.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been made.

Sec. 27. Minnesota Statutes 2020, section 16A.28, subdivision 3, is amended to read:

Subd. 3. **Lapse.** Any portion of any appropriation not carried forward and remaining unexpended and unencumbered at the close of a fiscal year lapses to the fund from which it was originally appropriated. Except as provided in section 15.761, any appropriation amounts not carried forward and remaining unexpended and unencumbered at the close of a biennium lapse to the fund from which the appropriation was made.

**EFFECTIVE DATE.** This section is effective June 30, 2022.

Sec. 28. **[16A.401] VIRTUAL PAYMENTS AUTHORIZED.**

Subdivision 1. **Virtual payments.** The commissioner may establish a program to issue virtual payments from the state treasury. Any rebate to the state generated by the program must be deposited in the general fund unless retained under subdivision 3.

Subd. 2. **Rebates.** Notwithstanding subdivision 1, rebates attributable to expenditures in funds established in the state constitution or protected by federal law must be returned to the account from which the expenditure originated.

Subd. 3. **Rebates retained.** The commissioner may retain a portion of rebates for the administration of this section. Money retained under this subdivision must be deposited in an account in the special revenue fund and is appropriated to the commissioner for the purposes of this section.

Sec. 29. Minnesota Statutes 2020, section 16B.24, subdivision 1, is amended to read:

Subdivision 1. **Operation and maintenance of buildings.** The commissioner is authorized to maintain and operate the State Capitol building and grounds, subject to whatever standards and policies are set for its appearance and cleanliness by the Capitol Area Architectural and Planning Board and the commissioner under section 15B.15, subdivision 2, and all other buildings, cafeterias, and grounds in state-owned buildings in the Capitol Area under section 15B.02, the state Department of Public Safety, Bureau of Criminal Apprehension building in St. Paul, ~~the state Department of Health building in Minneapolis, 321 Grove Street buildings~~ 603 Pine Street building in St. Paul, Fleet and Surplus Services building in Arden Hills, Ely Revenue building, any other properties acquired by the Department of Administration, and, when the commissioner considers it advisable and practicable, any other building or premises owned or rented by the state for the use of a state agency. The commissioner shall assign and reassign office space in the Capitol and state buildings to make an equitable division of available space among agencies. The commissioner shall regularly update the long-range strategic plan for locating agencies and shall follow the plan in assigning and reassigning space to agencies. The plan must include locational and urban design criteria, a cost-analysis method to be used in weighing state ownership against leasing of space in specific instances, and a transportation management plan. If the commissioner determines that a deviation from the plan is necessary or desirable in a specific instance, the commissioner shall provide the legislature with a timely written explanation of the reasons for the deviation. The power granted in this subdivision does not apply to state hospitals or to educational, penal, correctional, or other institutions not enumerated in this subdivision the control of which is vested by law in some other agency.

Sec. 30. Minnesota Statutes 2020, section 16B.24, is amended by adding a subdivision to read:

Subd. 13. **Electric vehicle charging.** The commissioner shall require that a user of a charging station located on the State Capitol complex used to charge a private electric vehicle pay an electric service fee. The commissioner shall set the electric service fee rate to cover electricity costs for charging an electric vehicle, depreciation for the charging station, and the administrative costs associated with providing electric charging stations.

Sec. 31. Minnesota Statutes 2020, section 16B.281, subdivision 3, is amended to read:

Subd. 3. **Notice to agencies; determination of surplus.** The commissioner of administration shall send written notice to all state departments, agencies, and the University of Minnesota describing any lands or tracts that may be declared surplus. For any property designated as a historic place under section 138.664 or a historic site under section 138.662, the commissioner must send written notice to the State Historic Preservation Office describing any lands or tracts that may be declared surplus. If a department or agency or the University of Minnesota desires custody of the lands or

tracts, it shall submit a written request to the commissioner, no later than four calendar weeks after mailing of the notice, setting forth in detail its reasons for desiring to acquire and its intended use of the land or tract. The commissioner shall then determine whether any of the lands described should be declared surplus and offered for sale or otherwise disposed of by transferring custodial control to other requesting state departments or agencies or to the Board of Regents of the University of Minnesota for educational purposes, provided however that transfer to the Board of Regents shall not be determinative of tax exemption or immunity. If the commissioner determines that any of the lands are no longer needed for state purposes, the commissioner shall make findings of fact, describe the lands, declare the lands to be surplus state land, and state the reasons for the sale or disposition of the lands.

Sec. 32. Minnesota Statutes 2020, section 16B.281, subdivision 6, is amended to read:

Subd. 6. **Maintenance of land before sale.** The state department or agency holding custodial control shall maintain the state-owned lands until the lands are sold or otherwise disposed of as provided for in sections 16B.281 to 16B.287. State-owned land designated as a historic place under section 138.664 or a historic site under section 138.662 must not be disposed of without specific authorization in law.

Sec. 33. Minnesota Statutes 2020, section 16B.2975, is amended by adding a subdivision to read:

Subd. 8. **Canine management.** The commissioner may give and convey to a canine's handler the state's entirety of the right, title, interest, and estate in and to a canine who is retired from service, with whom the handler trained and worked while the canine was in service to the state. The handler is solely responsible for all future expenses related to the retired canine.

Sec. 34. Minnesota Statutes 2020, section 16B.48, subdivision 2, is amended to read:

Subd. 2. **Purpose of funds.** Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

(1) to operate the central mailing service, including purchasing postage and related items and refunding postage deposits;

(2) to operate a documents service as prescribed by section 16B.51;

(3) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

~~(4) to operate a materials handling service, including interagency mail and product delivery, solid waste removal, courier service, equipment rental, and vehicle and equipment maintenance;~~

~~(5)~~ (4) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts; and

~~(6)~~ (5) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their

cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government; ~~and~~.

~~(7) to operate a state recycling center.~~

Sec. 35. Minnesota Statutes 2020, section 16B.54, subdivision 1, is amended to read:

Subdivision 1. **Motor pools.** The commissioner shall manage a central motor pool of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch central motor pools at other places within the state. For purposes of this section, (1) "agencies" includes the Minnesota State Colleges and Universities, ~~and~~ (2) "passenger motor vehicle" means on-road vehicle capable of transporting people, and (3) "truck" means a pickup or panel truck up to one ton carrying capacity.

Sec. 36. Minnesota Statutes 2020, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

(2) the lieutenant governor;

(3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;

- (4) the Financial Institutions Division and investigative staff of the Department of Commerce;
- (5) the Division of Disease Prevention and Control of the Department of Health;
- (6) the State Lottery;
- (7) criminal investigators of the Department of Revenue;
- (8) state-owned community service facilities in the Department of Human Services;
- (9) the Office of the Attorney General; ~~and~~
- (10) the investigative staff of the Gambling Control Board; and
- (11) the Department of Corrections inmate community work crew program under section 352.91, subdivision 3g.

Sec. 37. Minnesota Statutes 2020, section 16E.01, is amended to read:

**16E.01 OFFICE OF MN.IT MINNESOTA DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES.**

Subdivision 1. **Creation; chief information officer.** ~~The Office of MN.IT~~ Minnesota Department of Information Technology Services, which may also be known as Minnesota Information Technology Services or Minnesota IT Services, referred to in this chapter as the "office," "department," is an agency in the executive branch headed by a commissioner, who also is the ~~state~~ chief information officer. The appointment of the commissioner is subject to the advice and consent of the senate under section 15.066.

Subd. 1a. **Responsibilities.** ~~The office department shall provide oversight, leadership, and direction for information and telecommunications technology policy and the management, delivery, accessibility, and security of executive branch information and telecommunications technology systems and services in Minnesota. The office department shall manage strategic investments in information and telecommunications technology systems and services to encourage the development of a technically literate society, to ensure sufficient access to and efficient delivery of accessible government services, and to maximize benefits for the state government as an enterprise.~~

Subd. 2. **Discretionary powers.** ~~The office department~~ may:

- (1) enter into contracts for goods or services with public or private organizations and charge fees for services it provides;
- (2) apply for, receive, and expend money from public agencies;
- (3) apply for, accept, and disburse grants and other aids from the federal government and other public or private sources;
- (4) enter into contracts with agencies of the federal government, local governmental units, the University of Minnesota and other educational institutions, and private persons and other nongovernmental organizations as necessary to perform its statutory duties;

(5) sponsor and conduct conferences and studies, collect and disseminate information, and issue reports relating to information and communications technology issues;

(6) review the technology infrastructure of regions of the state and cooperate with and make recommendations to the governor, legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of information and communications technology infrastructure development potential;

(7) sponsor, support, and facilitate innovative and collaborative economic and community development and government services projects, including technology initiatives related to culture and the arts, with public and private organizations; and

(8) review and recommend alternative sourcing strategies for state information and communications systems.

Subd. 3. **Duties.** (a) The ~~office~~ department shall:

(1) manage the efficient and effective use of available federal, state, local, and public-private resources to develop statewide information and telecommunications technology systems and services and its infrastructure;

(2) approve state agency and intergovernmental information and telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) ~~ensure~~ promote cooperation and collaboration among state and local governments in developing intergovernmental information and telecommunications technology systems and services; ~~and define the structure and responsibilities of a representative governance structure;~~

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches, as requested;

(5) continue the development of North Star, the state's official comprehensive online service and information initiative;

~~(6) promote and collaborate with the state's agencies in the state's transition to an effectively competitive telecommunications market;~~

~~(7) collaborate with entities carrying out education and lifelong learning initiatives to assist Minnesotans in developing technical literacy and obtaining access to ongoing learning resources;~~

~~(8)~~ (6) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

~~(9) promote and coordinate electronic commerce initiatives to ensure that Minnesota businesses and citizens can successfully compete in the global economy;~~

(+0) (7) manage and promote the regular and periodic reinvestment in the information and telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

(+1) (8) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services, electronic data practices and privacy, ~~and electronic commerce among international, national, state, and local public and private organizations~~ within the executive branch;

(+2) (9) eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by state agencies;

(+3) (10) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations;

(+4) (11) ensure overall security of the state's information and technology systems and services; and

(+5) (12) manage and direct compliance with accessibility standards for informational technology, including hardware, software, websites, online forms, and online surveys.

(b) The chief information officer, in consultation with the commissioner of management and budget, must determine when it is cost-effective for agencies to develop and use shared information and telecommunications technology systems and services for the delivery of electronic government services. The chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of management and budget to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

(c) A state agency that has an information and telecommunications technology project ~~with a total expected project cost of more than \$1,000,000~~, whether funded as part of the biennial budget or by any other means, shall register with the office department by submitting basic project startup documentation, as specified by the chief information officer in both format and content, ~~before any project funding is requested or committed and before the project commences~~. State agency project leaders must demonstrate that the project will be properly managed, provide updates to the project documentation as changes are proposed, and regularly report on the current status of the project on a schedule agreed to with the chief information officer. The chief information officer has the authority to define a project for the purposes of this chapter.

(d) The chief information officer shall monitor progress on any active information and telecommunications technology project with a total expected project cost of more than \$5,000,000 and report on the performance of the project in comparison with the plans for the project in terms of time, scope, and budget. The chief information officer may conduct an independent project audit of the project. The audit analysis and evaluation of the projects subject to paragraph (c) must be presented to agency executive sponsors, the project governance bodies, and the chief information officer. All reports and responses must become part of the project record.

(e) For any active information and telecommunications technology project with a total expected project cost of more than \$10,000,000, the state agency must perform an annual independent audit that conforms to published project audit principles ~~promulgated~~ adopted by the ~~office~~ department.

(f) The chief information officer shall report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the ~~office~~ department regarding projects the ~~office~~ department has reviewed under paragraph (a), clause ~~(13)~~ (10). The report must include the reasons for the determinations made in the review of each project and a description of its current status.

Sec. 38. Minnesota Statutes 2020, section 16E.016, is amended to read:

**16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.**

(a) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, and development of the following information technology systems and services to state agencies:

- (1) state data centers;
- (2) mainframes including system software;
- (3) servers including system software;
- (4) desktops including system software;
- (5) laptop computers including system software;
- (6) a data network including system software;
- (7) database, electronic mail, office systems, reporting, and other standard software tools;
- (8) business application software and related technical support services;
- (9) help desk for the components listed in clauses (1) to (8);
- (10) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to (8);
- (11) regular upgrades and replacement for the components listed in clauses (1) to (8); and
- (12) network-connected output devices.

(b) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the ~~Office of MN.IT Services~~ Minnesota Department of Information Technology Services. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information

officer may assign employees of the ~~office~~ department to perform work exclusively for another state agency.

(c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that agency contracts with outside vendors ensure that systems and services are compatible with standards established by the ~~Office of MN.IT~~ Minnesota Department of Information Technology Services.

(d) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.

Sec. 39. Minnesota Statutes 2020, section 16E.02, is amended to read:

**16E.02 OFFICE OF MN.IT MINNESOTA DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES; STRUCTURE AND PERSONNEL.**

Subdivision 1. **Office Department management and structure.** (a) The chief information officer is appointed by the governor. The chief information officer serves in the unclassified service at the pleasure of the governor. The chief information officer must have experience leading enterprise-level information technology organizations. The chief information officer is the state's chief information officer and information and telecommunications technology ~~advisor~~ adviser to the governor.

(b) The chief information officer may appoint other employees of the ~~office~~ department. The Staff of the ~~office~~ department must include individuals knowledgeable in information and telecommunications technology systems and services and individuals with specialized training in information security and accessibility.

~~(c) The chief information officer may appoint a webmaster responsible for the supervision and development of state websites under the control of the office. The webmaster, if appointed, shall ensure that these websites are maintained in an easily accessible format that is consistent throughout state government and are consistent with the accessibility standards developed under section 16E.03, subdivision 9. The webmaster, if appointed, shall provide assistance and guidance consistent with the requirements of this paragraph to other state agencies for the maintenance of other websites not under the direct control of the office.~~

Subd. 1a. **Accountability.** The chief information officer reports to the governor. The chief information officer must consult regularly with ~~the executive branch agency commissioners of administration, management and budget, human services, revenue, and other commissioners as designated by the governor,~~ on technology projects, standards, and services as well as management of resources and staff utilization.

Sec. 40. Minnesota Statutes 2020, section 16E.03, subdivision 1, is amended to read:

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

(b) "Information and telecommunications technology systems and services" means all computing and telecommunications hardware and software, the activities undertaken to secure that hardware and software, and the activities undertaken to acquire, transport, process, analyze, store, and disseminate information electronically. "Information and telecommunications technology systems and services" includes all proposed expenditures for computing and telecommunications hardware and software, security for that hardware and software, and related consulting or other professional services.

~~(c) "Information and telecommunications technology project" means an effort to acquire or produce information and telecommunications technology systems and services.~~

~~(c)~~ (c) "Telecommunications" means voice, video, and data electronic transmissions transported by wire, wireless, fiber-optic, radio, or other available transport technology.

~~(d)~~ (d) "Cyber security" means the protection of data and systems in networks connected to the Internet.

~~(e)~~ (e) "State agency" means an agency in the executive branch of state government and includes the Minnesota Office of Higher Education, but does not include the Minnesota State Colleges and Universities unless specifically provided elsewhere in this chapter.

~~(f)~~ (f) "Total expected project cost" includes direct staff costs, all supplemental contract staff and vendor costs, and costs of hardware and software development or purchase. Breaking a project into several phases does not affect the cost threshold, which must be computed based on the full cost of all phases.

~~(g)~~ (g) "Cloud computing" has the meaning described by the National Institute of Standards and Technology of the United States Department of Commerce in special publication 800-145, September 2011.

Sec. 41. Minnesota Statutes 2020, section 16E.03, subdivision 2, is amended to read:

Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

(1) design a master plan for information and telecommunications technology systems and services in the state ~~and its political subdivisions~~ and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) coordinate, review, and approve all information and telecommunications technology projects and oversee the state's information and telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and telecommunications technology systems and services that are cost-effective and support open systems environments and that are compatible with state, national, and international standards, including accessibility standards;

(4) maintain a library of systems and programs developed by the state ~~and its political subdivisions~~ for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware and software necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 42. Minnesota Statutes 2020, section 16E.03, subdivision 3, is amended to read:

Subd. 3. **Evaluation and approval.** A state agency may not undertake an information and telecommunications technology project until it has been evaluated according to the procedures developed under subdivision 4. The chief information officer or delegate shall give written approval of the proposed project. ~~When notified by the chief information officer that a project has not been approved, the commissioner of management and budget shall cancel the unencumbered balance of any appropriation allotted for the project.~~

Sec. 43. Minnesota Statutes 2020, section 16E.03, subdivision 6, is amended to read:

Subd. 6. **System development methods.** The chief information officer shall establish and, as necessary, update and modify methods for developing information and communications systems appropriate to the specific needs of individual state agencies. The development methods shall be used to define the design, programming, and implementation of systems. ~~The development methods must also enable and require a data processing system to be defined in terms of its computer programs, input requirements, output formats, administrative procedures, and processing frequencies.~~

Sec. 44. Minnesota Statutes 2020, section 16E.036, is amended to read:

#### **16E.036 ADVISORY COMMITTEE COUNCIL.**

(a) ~~The Technology Advisory Committee Council is created to advise the governor, executive branch, and the state chief information officer. The committee consists of council shall consist of 15 voting members. The governor shall appoint six members appointed by the governor who are individuals actively involved in business planning for state executive branch agencies, one county member designated by the Association of Minnesota Counties, one member appointed by the governor as a representative of a union that represents state information technology employees, and one member appointed by the governor to represent private businesses. The governor shall also select six additional members with private-sector or public-sector IT experience or experience in academia pertaining to IT. The council shall have the following four ex officio nonvoting members:~~

(1) a member of the house of representatives selected by the speaker of the house;

(2) a member of the house of representatives selected by the minority leader of the house of representatives;

(3) a member of the senate selected by the majority leader of the senate; and

(4) a member of the senate selected by the minority leader of the senate.

The governor shall designate one of the 15 voting members to serve as the council's chair.

(b) Membership terms, removal of members, and filling of vacancies are as provided in section 15.059. Members do not receive compensation or reimbursement for expenses.

(c) ~~The committee shall select a chair from its members.~~ The chief information officer shall provide administrative support to the ~~committee~~ council.

(d) The ~~committee~~ council shall advise the chief information officer on:

(1) development and implementation of the state information technology strategic plan;

(2) critical information technology initiatives for the state;

(3) standards for state information architecture;

(4) identification of business and technical needs of state agencies;

(5) strategic information technology portfolio management, project prioritization, and investment decisions;

(6) the ~~office's~~ department's performance measures and fees for service agreements with executive branch agencies;

(7) management of the state MN.IT services revolving fund; and

(8) the efficient and effective operation of the ~~office~~ department.

Sec. 45. Minnesota Statutes 2020, section 16E.04, subdivision 3, is amended to read:

Subd. 3. **Risk assessment and mitigation.** (a) A risk assessment and risk mitigation plan are required for all information systems development projects undertaken by a state agency in the executive or judicial branch or by a constitutional officer. The chief information officer must contract with an entity outside of state government to conduct the initial assessment and prepare the mitigation plan for a project estimated to cost more than \$5,000,000. The outside entity conducting the risk assessment and preparing the mitigation plan must not have any other direct or indirect financial interest in the project. The risk assessment and risk mitigation plan must provide for periodic monitoring by the commissioner until the project is completed.

(b) ~~The risk assessment and risk mitigation plan must be paid for with money appropriated for the information and telecommunications technology project. The chief information officer must notify the commissioner of management and budget when work has begun on a project and must identify the proposed budget for the project. The commissioner of management and budget shall ensure that no more than ten percent of the proposed budget be spent on the project, other than the money spent on the risk assessment and risk mitigation plan, is spent until the risk assessment and mitigation plan are reported to the chief information officer and the chief information officer has approved the risk mitigation plan.~~

Sec. 46. Minnesota Statutes 2020, section 16E.0465, subdivision 2, is amended to read:

Subd. 2. **Required review and approval.** (a) A state agency receiving an appropriation for an information and telecommunications technology project subject to this section must divide the project into phases.

(b) ~~The commissioner of management and budget may not authorize the~~ An encumbrance or expenditure ~~of an appropriation of state funds to a state agency may not be made~~ for any phase of a state agency information and telecommunications technology project, ~~device, or system~~ subject to this section unless the ~~Office of MN.IT~~ Minnesota Department of Information Technology Services has reviewed each phase of the project, ~~device, or system~~, and based on this review, the chief information officer has determined for each phase that:

(1) the project is compatible with the state information architecture and other policies and standards established by the chief information officer;

(2) the agency is able to accomplish the goals of the phase of the project with the funds appropriated; and

(3) the project supports the enterprise information technology strategy.

Sec. 47. Minnesota Statutes 2020, section 16E.05, subdivision 1, is amended to read:

Subdivision 1. **Duties.** The ~~office~~ department, in consultation with interested persons, shall:

~~(1) coordinate statewide efforts by units of state and local government to plan for and develop a system for providing access to government services; and~~

~~(2)~~ explore ways and means to improve citizen and business access to public services, including implementation of technological improvements.

Sec. 48. Minnesota Statutes 2020, section 16E.07, subdivision 12, is amended to read:

Subd. 12. **Private entity services; fee authority.** (a) The ~~office~~ department may enter into a contract with a private entity to manage, maintain, support, and expand North Star and online government information services to citizens and businesses.

(b) A contract established under paragraph (a) may provide for compensation of the private entity through a fee established under paragraph (c).

(c) The ~~office~~ department, subject to the approval of the agency or ~~office~~ department responsible for the data or services involved in the transaction, may charge and may authorize a private entity that enters into a contract under paragraph (a) to charge a convenience fee for users of North Star and online government information services up to a total of \$2 per transaction, provided that no fee shall be charged for viewing or inspecting data. ~~The office shall consider the recommendation of the E-Government Advisory Council under section 16E.071 in setting the convenience fee.~~ A fee established under this paragraph is in addition to any fees or surcharges authorized under other law.

(d) Receipts from the convenience fee shall be deposited in the North Star account established in subdivision 7. Notwithstanding section 16A.1285, subdivision 2, receipts credited to the account are appropriated to the ~~office~~ department for payment to the contracted private entity under paragraph (a). In lieu of depositing the receipts in the North Star account, the ~~office~~ department can directly

transfer the receipts to the private entity or allow the private entity to retain the receipts pursuant to a contract established under this subdivision.

(e) The ~~office~~ department shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance by January 15 of each odd-numbered year regarding the convenience fee receipts and the status of North Star projects and online government information services developed and supported by convenience fee receipts.

Sec. 49. Minnesota Statutes 2020, section 16E.21, subdivision 2, is amended to read:

Subd. 2. **Charges.** (a) Upon agreement of the participating agency, the ~~Office of MN.IT~~ Minnesota Department of Information Technology Services may collect a charge or receive a fund transfer under section 16E.0466 for purchases of information and telecommunications technology systems and services by state agencies and other governmental entities through state contracts for purposes described in subdivision 1. Charges collected under this section must be credited to the information and telecommunications technology systems and services account.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, subject to the review of the Legislative Advisory Commission under section 16E.21, subdivision 3.

Sec. 50. **[43A.3165] PROCUREMENT OF A PHARMACY BENEFIT MANAGER AND A PLATFORM TECHNOLOGY VENDOR.**

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

(b) "Market check" means a technology-driven evaluation of prescription drug pricing based on benchmarks derived from reverse auction processes conducted in the United States over the immediately preceding 12 months.

(c) "Pharmacy benefit management services" means:

(1) the procurement of prescription drugs at a negotiated rate for dispensation within the State Employees Group Insurance Program (SEGIP) to enrollees;

(2) the administration and management of the prescription drug benefit under SEGIP; and

(3) any of the following services provided with regard to the administration and management of the prescription drug benefit, including:

(i) mail service pharmacy;

(ii) claims processing, retail network management, and payment of claims to pharmacies for prescription drugs dispensed to enrollees;

(iii) supplemental rebate contracting and administration;

(iv) patient compliance, therapeutic intervention, and generic substitution programs; or

(v) disease management programs.

(d) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15, paragraph (a).

(e) "Price" means the projected cost of a bid for providing pharmacy benefit management services over the duration of the contract.

(f) "Reverse auction" means an automated bidding process conducted online that starts with an opening price and allows qualified bidders to counteroffer a lower price for multiple rounds of bidding.

(g) "SEGIP" is the State Employees Group Insurance Program under section 43A.316, provided to participants eligible under section 43A.24.

Subd. 2. **Purpose.** The purpose of this section is to optimize prescription drug savings in SEGIP through:

(1) contracting with a pharmacy benefit manager to manage and administer the prescription drug benefit for SEGIP;

(2) the adoption of a reverse auction process for the selection of a pharmacy benefit manager;

(3) providing a process for the electronic review and validation of pharmacy benefit manager claims invoices for the purpose of reconciling pharmacy bills;

(4) market checks of the pharmacy benefit manager's prescription drug pricing; and

(5) limiting independent pharmacies from unsustainable reimbursement practices.

Subd. 3. **Procurement of a pharmacy benefit manager.** (a) Notwithstanding any law to the contrary, the commissioner of management and budget shall procure a contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services for SEGIP participants, effective January 1, 2023.

(b) The commissioner shall conduct a reverse auction as described in this section to select the pharmacy benefit manager.

(c) In consultation with the technology platform vendor selected under subdivision 4 and any recommendations offered by the Formulary Committee under section 256B.0625, subdivision 13c, the commissioner shall specify the terms of a participant bidding agreement that all bidders must accept as a prerequisite for participation in the reverse auction process, including:

(1) common definitions;

(2) prescription drug classifications;

(3) retail pricing rules, including maximum allowable cost price lists and dispensing fees; and

(4) any other contract terms the commissioner deems necessary to further the purpose of this section as specified under subdivision 2.

(d) A pharmacy benefit manager that submits a bid under this subdivision must provide the commissioner access to complete pharmacy claims data necessary for the commissioner to conduct the reverse auction and to carry out administrative and management duties.

(e) The terms of any contract entered into under this subdivision shall not be modified by the pharmacy benefit manager except with the approval of the commissioner.

(f) The commissioner may structure the contract awarded under this subdivision to pay the cost of the technology platform and the associated professional services contracted for under this subdivision by assessing a per-prescription fee to be paid directly by the pharmacy benefit manager to the technology platform vendor.

(g) The commissioner must perform annual market checks on pharmacy benefit manager services performed by the pharmacy benefit manager during the term of the contract. A market check performed under this paragraph may include an evaluation of the effect of alternative drug pricing metrics, such as the national average drug acquisition cost and average wholesale price, on the cost of prescription drugs and savings to the state.

(h) The commissioner shall make regular, periodic payment of invoices within the time periods specified in the contract based on the automated adjudication of invoiced claims using the technology platform to validate that claims payments comply with the terms of the contract.

**Subd. 4. Technology platform vendor.** (a) Notwithstanding section 16C.08, at least three months before the reverse auction process is scheduled to be completed, the commissioner shall procure through a competitive bidding process a contract with a professional services vendor for a technology platform and any associated professional services necessary to operate the platform to:

(1) evaluate the qualifications of prospective pharmacy benefit manager bidders for the pharmacy benefit manager procurement;

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

(b) The platform procured under paragraph (a) must have the capability to:

(1) host and conduct an online automated reverse auction:

(i) using a software application and high-performance data infrastructure to intake, cleanse, and normalize pharmacy benefit manager data; and

(ii) with development methods and information security standards that have been validated by receiving Service Organization Control 2 (SOC 2) and National Institute of Standards and Technology certification;

(2) automate repricing of diverse and complex pharmacy benefit manager prescription drug pricing proposals to enable direct comparisons of the price of bids using all annual claims data

available for the medical assistance program using code-based classification or prescription drugs from nationally accepted drug sources;

(3) simultaneously evaluate, within one hour, diverse and complex multiple proposals from full-service pharmacy benefit managers, including average wholesale price (AWP), guaranteed net cost, and National Average Drug Acquisition Cost (NADAC) pricing models, as well as proposals from pharmacy benefit administrators and specialty drug and rebate carve-out service providers;

(4) produce an automated report and analysis of bids, including ranking of bids on the comparative costs and qualitative aspects of the costs within one hour after the close of each round of reverse auction bidding; and

(5) after the close of the reverse auction process, perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims within one hour of receipt that allows for an online comparison of pharmacy benefit manager invoices, an audit of other services provided by the pharmacy benefit manager services, and identifies all deviations from the specific terms of the services contract resulting from the reverse auction.

(c) The commissioner shall not award the platform technology vendor contract under this subdivision to:

(1) a pharmacy benefit manager;

(2) a subsidiary or affiliate of a pharmacy benefit manager; or

(3) a vendor that is managed by a pharmacy benefit manager or receives, directly or indirectly, remuneration from a pharmacy benefit manager for aggregating clients into a contractual relationship with a pharmacy benefit manager.

(d) The vendor that is awarded the contract under this subdivision must not subcontract any part of the reverse auction process or the review described under paragraph (b), clause (5).

Sec. 51. Minnesota Statutes 2020, section 97A.057, subdivision 1, is amended to read:

Subdivision 1. **Compliance with federal law.** The commissioner shall take any action necessary to comply with the Federal Aid in Wildlife Restoration Act, United States Code, title 16, sections 669 to 669i, and the Federal Aid in Fish Restoration Act, United States Code, title 16, sections 777 to 777k. Notwithstanding ~~section 16E.145~~ or any other law to the contrary, an appropriation for an information or telecommunications technology project from the game and fish fund, as established in section 97A.055, must be made to the commissioner. Any assets acquired with or expenditures made from the game and fish fund must remain under control of the commissioner.

Sec. 52. Minnesota Statutes 2020, section 138.081, subdivision 1, is amended to read:

Subdivision 1. **Department of Administration as agency to accept federal funds.** The Department of Administration is hereby designated the state agency with power to accept any and all money provided for or made available to this state by the United States of America or any department or agency thereof for surveys, restoration, construction, equipping, or other purposes relating to the State Historic ~~sites~~ Preservation Program in accordance with the provisions of federal

law and any rules or regulations promulgated thereunder and are further authorized to do any and all things required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal money.

Sec. 53. Minnesota Statutes 2020, section 138.081, subdivision 2, is amended to read:

Subd. 2. **Commissioner's responsibilities.** The commissioner as the state historic preservation officer shall be responsible for the preparation, implementation and administration of the State Historic Preservation Plan and shall administer the State Historic Preservation Program authorized by the National Historic Preservation Act (United States Code, title ~~46~~ 54, section ~~470~~ 300101 et seq. ~~as amended~~). The commissioner shall review and approve in writing all grants-in-aid for architectural, archaeological and historic preservation made by state agencies and funded by the state or a combination of state and federal funds in accordance with the State Historic Preservation Program.

Sec. 54. Minnesota Statutes 2020, section 138.081, subdivision 3, is amended to read:

Subd. 3. **Administration of federal act.** The Department of Administration is designated as the state agency to administer the provisions of the federal act providing for the preservation of historical and archaeological data, United States Code, title ~~46~~, ~~sections 469 to 469C~~ 54, section 312501, as amended, insofar as the provisions of the act provide for implementation by the state.

Sec. 55. Minnesota Statutes 2020, section 138.31, is amended by adding a subdivision to read:

Subd. 13a. **State Historic Preservation Office.** "State Historic Preservation Office" means the State Historic Preservation Office at the Department of Administration.

Sec. 56. Minnesota Statutes 2020, section 138.34, is amended to read:

#### **138.34 ADMINISTRATION OF THE ACT.**

The state archaeologist shall act as the agent of the state to administer and enforce the provisions of sections 138.31 to 138.42. Some enforcement provisions are shared with the society and the State Historic Preservation Office.

Sec. 57. Minnesota Statutes 2020, section 138.38, is amended to read:

#### **138.38 REPORTS OF STATE ARCHAEOLOGIST.**

The state archaeologist shall consult with and keep the Indian Affairs Council ~~and~~ the director of the historical society, and the State Historic Preservation Office informed as to significant field archaeology, projected or in progress, and as to significant discoveries made. Annually, and also upon leaving office, the state archaeologist shall file with the commissioner a full report of the office's activities including a summary of the activities of licensees, from the date of the last full report of the state archaeologist. Copies of the report must be sent upon completion to the Minnesota Historical Society ~~and~~ the Indian Affairs Council, and the State Historic Preservation Office, and made available to other interested parties.

Sec. 58. Minnesota Statutes 2020, section 138.40, is amended to read:

**138.40 COOPERATION OF STATE AGENCIES; DEVELOPMENT PLANS.**

Subdivision 1. **Cooperation.** The Department of Natural Resources, the Department of Transportation, and all other state agencies whose activities may be affected, shall cooperate with the historical society, the State Historic Preservation Office, and the state archaeologist to carry out the provisions of sections 138.31 to 138.42 and the rules issued thereunder, but sections 138.31 to 138.42 are not meant to burden persons who wish to use state property for recreational and other lawful purposes or to unnecessarily restrict the use of state property.

Subd. 2. **Compliance, enforcement, preservation.** State and other governmental agencies shall comply with and aid in the enforcement of provisions of sections 138.31 to 138.42. Conservation officers and other enforcement officers of the Department of Natural Resources shall enforce the provisions of sections 138.31 to 138.42 and report violations to the ~~director of the society~~ state archeologist. When archaeological or historic sites are known or, based on scientific investigations are predicted to exist on public lands or waters, the agency or department controlling said lands or waters shall use the professional services of archaeologists from the University of Minnesota, Minnesota Historical Society, or other qualified professional archaeologists, to preserve these sites. In the event that archaeological excavation is required to protect or preserve these sites, state and other governmental agencies may use their funds for such activities.

Subd. 3. **Review of plans.** When significant archaeological or historic sites are known or, based on scientific investigations, are predicted to exist on public lands or waters, the agency or department controlling said lands or waters shall submit construction or development plans to the state archaeologist and the ~~director of the society~~ State Historic Preservation Office for review prior to the time bids are advertised. The state archaeologist and the ~~society~~ State Historic Preservation Office shall promptly review such plans and within 30 days of receiving the plans shall make recommendations for the preservation of archaeological or historic sites which may be endangered by construction or development activities. When archaeological or historic sites are related to Indian history or religion, the state archaeologist shall submit the plans to the Indian Affairs Council for the council's review and recommend action.

Sec. 59. Minnesota Statutes 2020, section 138.661, subdivision 2, is amended to read:

Subd. 2. **Authority for property owned by the Historical Society.** The Minnesota Historical Society shall exercise the administration and control of the sites in section 138.662 ~~other than the Minnesota State Capitol~~ that are owned by the Minnesota Historical Society, preserve their historic features, conduct archaeological investigations, establish necessary interpretive centers, and perform additional duties and services at the sites necessary to meet their educational mission. ~~Ownership of the properties is either by the state or the Minnesota Historical Society.~~ The Minnesota Historical Society may contract with existing state departments and agencies for materials and services, including utility services, necessary for the administration and maintenance of the sites listed in section 138.662 that are owned by the Minnesota Historical Society. The authority of the commissioner of natural resources to administer and control the historic sites enumerated in section 138.662 that are owned by the Minnesota Historical Society is withdrawn, and is conferred upon the Minnesota Historical Society. ~~The commissioner of natural resources shall continue to administer and control the state parks enumerated in this section excepting the portions designated as historic sites, the administration and control of which is by this section vested in the Minnesota Historical Society.~~

Sec. 60. Minnesota Statutes 2020, section 138.661, is amended by adding a subdivision to read:

Subd. 2a. **Authority for property owned by the state.** The State Historic Preservation Office shall exercise the administration and control of the sites in section 138.662 that are owned by the state, preserve their historic features, conduct archaeological investigations, establish necessary interpretive centers, and perform additional duties and services at the sites necessary to meet their educational mission. The State Historic Preservation Office may contract with existing state departments and agencies for materials and services, including utility services, necessary for the administration and maintenance of the sites listed in section 138.662 that are owned by the state. The authority of the commissioner of natural resources to administer and control the historic sites enumerated in section 138.662 that are owned by the state is withdrawn, and is conferred upon the State Historic Preservation Office. The commissioner of natural resources shall continue to administer and control the state parks enumerated in this section excepting the portions designated as historic sites, the administration and control of which is by this section vested in the State Historic Preservation Office.

Sec. 61. Minnesota Statutes 2020, section 138.665, subdivision 2, is amended to read:

Subd. 2. **Mediation.** The state, state departments, agencies, and political subdivisions, including the Board of Regents of the University of Minnesota, have a responsibility to protect the physical features and historic character of properties designated in sections 138.662 and 138.664 or listed on the National Register of Historic Places created by Public Law 89-665. Before carrying out any undertaking that will affect designated or listed properties, or funding or licensing an undertaking by other parties, or conveying state-owned designated or listed property, the state department or agency shall consult with the State Historic Preservation Office pursuant to the ~~society's~~ State Historic Preservation Office's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on designated or listed properties. If the state department or agency and the State Historic Preservation Office agree in writing on a suitable course of action, the project may proceed. If the parties cannot agree, any one of the parties may request that the governor appoint and convene a mediation task force consisting of five members, two appointed by the governor, the chair of the State Review Board of the State Historic Preservation Office, the commissioner of administration or the commissioner's designee, and one member who is not an employee of the Minnesota Historical Society appointed by the director of the Minnesota Historical Society. The two appointees of the governor and ~~the one~~ of the director of the society shall be qualified by training or experience in one or more of the following disciplines: (1) history; (2) archaeology; and (3) architectural history. The mediation task force is not subject to the conditions of section 15.059. This subdivision does not apply to section 138.662, subdivision 24, and section 138.664, subdivisions 8 and 111.

Sec. 62. Minnesota Statutes 2020, section 138.666, is amended to read:

### **138.666 COOPERATION.**

The state, state departments and agencies, political subdivisions, and the Board of Regents of the University of Minnesota shall cooperate with the Minnesota Historical Society and the State Historic Preservation Office in safeguarding state historic sites and in the preservation of historic and archaeological properties.

Sec. 63. Minnesota Statutes 2020, section 138.667, is amended to read:

**138.667 HISTORIC PROPERTIES; CHANGES.**

Properties designated as historic properties by sections 138.661 to 138.664 may be changed from time to time, and the Minnesota Historical Society and the State Historic Preservation Office shall notify the legislature of the need for changes, and shall make recommendations to keep the state historic sites network and the state register of historic places current and complete. The significance of properties proposed for designation under section 138.663, subdivision 2, shall be documented under the documentation standards established by the Minnesota Historical Society. This State Historic Preservation Office. documentation shall include the opinion of the Minnesota Historical Society for the historic sites network under section 138.661, subdivision 3, and the State Historic Preservation Office for the state register of historic places under section 138.663, subdivision 2, as to whether the property meets the selection criteria.

Sec. 64. **138.6675] UNITED STATES AND MINNESOTA FLAGS.**

At every historic site owned by the state, a United States flag and a Minnesota state flag must be displayed on a flag pole on the grounds of the site, or outside a building on the site on proper staffs. The State Historic Preservation Office must display the flags in a prominent place and in a manner consistent with the United States Flag Code.

**EFFECTIVE DATE.** This section is effective July 1, 2024, except that the State Historic Preservation Office must install flag poles and staffs and display flags as funding becomes available for this purpose.

Sec. 65. Minnesota Statutes 2020, section 138.669, is amended to read:

**138.669 CONTRACTS FOR HISTORIC SITE MANAGEMENT.**

The ~~Minnesota Historical Society~~ State Historic Preservation Office may contract with a county, municipality, or a county or local historical society for the management and operation of sites in the state historic site network. Notwithstanding section 138.668, the contract may provide for the retention of admission fees received by the management unit and for grants-in-aid to the management unit for use in the site's operation and maintenance.

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

Sec. 66. Minnesota Statutes 2020, section 138.763, subdivision 1, is amended to read:

Subdivision 1. **Membership.** There is a St. Anthony Falls Heritage Board consisting of 22 members with the director of the Minnesota Historical Society as chair. The members include the mayor; the chair of the Hennepin County Board of Commissioners or the chair's designee; the president of the Minneapolis Park and Recreation Board or the president's designee; the superintendent of the park board; two members each from the house of representatives appointed by the speaker, the senate appointed by the Rules Committee, the city council, the Hennepin County Board, and the park board; one member each from the preservation commission, the State Historic Preservation

Office, Hennepin County Historical Society, and the society; one person appointed by the park board; and two persons appointed by the chair of the board.

Sec. 67. Minnesota Statutes 2020, section 155A.23, is amended by adding a subdivision to read:

Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of health.

Sec. 68. Minnesota Statutes 2020, section 155A.23, subdivision 16, is amended to read:

Subd. 16. **School manager.** A "school manager" is ~~a cosmetologist who is a salon manager and~~ who has a school manager license. A school manager must maintain an active salon manager's license.

Sec. 69. Minnesota Statutes 2020, section 155A.271, subdivision 2, is amended to read:

Subd. 2. **Continuing education providers.** (a) Only a ~~board-licensed~~ school of cosmetology licensed under this chapter, a postsecondary institution as defined in section 136A.103, paragraph (a), or a ~~board-recognized~~ professional association organized under chapter 317A may be approved by the ~~board~~ commissioner to offer continuing education for credit under subdivision 1, paragraph (a). Continuing education under subdivision 1, paragraph (b), may be offered by a:

- (1) ~~board-licensed~~ school of cosmetology licensed under this chapter;
- (2) ~~board-recognized~~ professional association organized under chapter 317A; or
- (3) ~~board-licensed~~ salon licensed under this chapter.

An approved school or professional association may offer web-based continuing education instruction to achieve maximum involvement of licensees. Continuing education providers are encouraged to offer classes available in foreign language formats.

(b) ~~Board~~ Commissioner approval of any continuing education provider is valid for one calendar year and is contingent upon submission and preapproval of the lesson plan or plans with learning objectives for the class to be offered and the payment of the application fee in section 155A.25, subdivision 1a, paragraph (d), clause (10). The ~~board~~ commissioner shall maintain a list of approved providers and courses on the ~~board's~~ Department of Health's website. The ~~board~~ commissioner may revoke authorization of a continuing education provider at any time for just cause and the ~~board~~ commissioner may demand return of documents required under subdivision 3.

Sec. 70. Minnesota Statutes 2020, section 179A.20, is amended by adding a subdivision to read:

Subd. 2b. **Limited by appropriation.** A public employer must not contract to pay more to employees in compensation and benefits in a biennium than is permitted under the first spending plan submitted by July 31 in an odd-numbered year and approved by the commissioner under section 16A.14, subdivisions 3 and 4.

Sec. 71. Minnesota Statutes 2020, section 214.01, subdivision 3, is amended to read:

Subd. 3. **Non-health-related licensing board.** "Non-health-related licensing board" means the Professional Educator Licensing and Standards Board established pursuant to section 122A.07, the

Board of Barber Examiners established pursuant to section 154.001, ~~the Board of Cosmetologist Examiners established pursuant to section 155A.20~~, the Board of Assessors established pursuant to section 270.41, the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design established pursuant to section 326.04, the Private Detective and Protective Agent Licensing Board established pursuant to section 326.33, the Board of Accountancy established pursuant to section 326A.02, and the Peace Officer Standards and Training Board established pursuant to section 626.841.

Sec. 72. Minnesota Statutes 2020, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions, requirements, and civil penalties.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

(b) For each 12-month period beginning July 1, a licensed organization will be evaluated by the board to determine a rating based on the percentage of annual lawful purpose expenditures, excluding those expenditures defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), when compared to available gross profits total allowable expenses for the same period. The rating will be used to determine the organization's profitability percent and is not a rating of the organization's lawful gambling operation. An organization will be evaluated according to the following criteria:

(1) an organization ~~that expends 50~~ with a ratio of lawful purpose expenditures to allowable expenses of 100 percent or more of gross profits on lawful purposes will receive a five-star rating;

(2) an organization ~~that expends 40~~ with a ratio of lawful purpose expenditures to allowable expenses of 80 percent or more but less than 50 100 percent of gross profits on lawful purposes will receive a four-star rating;

(3) an organization ~~that expends 30~~ with a ratio of lawful purpose expenditures to allowable expenses of 60 percent or more but less than 40 80 percent of gross profits on lawful purposes will receive a three-star rating;

(4) an organization ~~that expends 20~~ with a ratio of lawful purpose expenditures to allowable expenses of 40 percent or more but less than 30 60 percent of gross profits on lawful purposes will receive a two-star rating; ~~and~~

(5) an organization ~~that expends less than~~ with a ratio of lawful purpose expenditures to allowable expenses of 20 percent of gross profits on lawful purposes or more but less than 40 percent will receive a one-star rating; ~~and~~

(6) an organization with a ratio of lawful purpose expenditures to allowable expenses of less than 20 percent will receive a zero-star rating.

(c) An organization that is licensed under this chapter with gross receipts from lawful gambling of more than \$750,000 in any fiscal year and fails to expend a minimum of 30 20 percent annually of gross profits of its annual total allowable expenses on lawful purposes, or 20 percent annually for organizations that conduct lawful gambling in a location where the primary business is bingo,

is automatically on probation effective July 1 for a period of one year. The organization must increase its rating to the required minimum or be subject to sanctions by the board. If an organization fails to meet the minimum after a one-year probation, the board may suspend the organization's license or impose a civil penalty as follows:

(1) in determining any suspension or penalty for a violation of this paragraph, the board must consider any unique factors or extraordinary circumstances that caused the organization to not meet the minimum rate of profitability. Unique factors or extraordinary circumstances include, but are not limited to, the purchase of capital assets necessary to conduct lawful gambling; road or other construction causing impaired access to the lawful gambling premises; and flood, tornado, or other catastrophe that had a direct impact on the continuing lawful gambling operation; and

(2) notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the board may impose a civil penalty under this subdivision up to \$10,000.

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

Sec. 73. Minnesota Statutes 2020, section 349.151, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The board consists of seven members, as follows: (1) five members appointed by the governor; (2) one member appointed by the commissioner of public safety; and (3) one member appointed by the attorney general.

(b) All appointments under this subdivision are with the advice and consent of the senate.

(c) ~~After expiration of the initial terms,~~ Appointments are for four years. A member may continue holding office until a successor is appointed unless, prior to the expiration of the member's term, the appointing authority notifies the board that a member's appointment may not be extended.

(d) The board shall select one of its members to serve as chair. No more than three members appointed by the governor under this subdivision may belong to the same political party.

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

Sec. 74. Minnesota Statutes 2020, section 349A.08, subdivision 9, is amended to read:

Subd. 9. **Privacy.** (a) The name, phone number, and street address of a winner of a lottery prize is private data on individuals under chapter 13.

(b) Data on an individual, including name, physical and electronic address, and telephone number, that are given to the lottery for direct marketing purposes are private data on individuals as defined in section 13.02. For purposes of this subdivision, "direct marketing" means marketing conducted by the lottery directly with the consumer.

(c) The name of the winner of a lottery prize may be made public if the winner provides written consent after the director has informed the winner of the director's intended use of the winner's name.

(d) The name of the winner of a lottery prize that includes a cash payment greater than \$10,000, and the name of a winner of a second chance drawing prize that includes a cash payment, are private data on individuals under chapter 13.

**EFFECTIVE DATE.** This section is effective September 1, 2021.

Sec. 75. Minnesota Statutes 2020, section 353.27, subdivision 3c, is amended to read:

Subd. 3c. **Former MERF members; member and employer contributions.** (a) For the period July 1, 2019, through December 31, 2031, the member contributions for former members of the Minneapolis Employees Retirement Fund and by the former Minneapolis Employees Retirement Fund-covered employing units are governed by this subdivision.

(b) The member contribution for a public employee who was a member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of the employee.

(c) The employer regular contribution with respect to a public employee who was a member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of the employee.

(d) The annual employer supplemental contribution is the employing unit's share of ~~\$21,000,000~~ \$31,000,000.

(e) Each employing unit's share under paragraph (d) is the amount determined from an allocation between each employing unit in the portion equal to the unit's employer supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50, during calendar year 2014.

(f) The employer supplemental contribution amount under paragraph (d) for calendar year 2019 must be invoiced by the executive director of the Public Employees Retirement Association by July 1, 2019. For subsequent calendar years, the employer supplemental contribution under paragraph (d) must be invoiced on January 31 of each year. The employer supplemental contribution is payable in two parts, with the first half payable on or before July 31 and with the second half payable on or before December 15. Late payments are payable with interest, compounded annually, at the applicable rate or rates specified in section 356.59, subdivision 3, per month for each month or portion of a month that has elapsed after the due date.

(g) The employer supplemental contribution under paragraph (d) terminates on December 31, 2031.

Sec. 76. Minnesota Statutes 2020, section 353.505, is amended to read:

**353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

(a) On September 15, 2019, and annually thereafter, the state shall pay to the general employees retirement plan of the Public Employees Retirement Association, with respect to the former MERF division, ~~\$16,000,000~~ \$6,000,000.

(b) State contributions under this section end on September 15, 2031.

(c) The commissioner of management and budget shall pay the contribution specified in this section. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

Sec. 77. 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 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$115,795,000. 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. The commissioner of revenue shall transfer to the ~~commissioner of management and budget~~ Legislative Budget Office \$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.

Sec. 78. Minnesota Statutes 2020, section 645.071, is amended to read:

#### **645.071 STANDARD OF TIME.**

Every mention of, or reference to, any hour or time in any law, during any period of the year, is to be construed with reference to and in accordance with the ~~standard time or~~ advanced standard time provided by federal law. No department of the state government and no county, city or town shall employ, during any period of the year, any other time, or adopt any ordinance or order providing for the use, during any period of the year, of any other time than the federal ~~standard time or~~ advanced standard time.

**EFFECTIVE DATE.** This section is effective upon the first commencement of advanced standard time, also known as daylight saving time, following enactment of an amendment to United States Code, title 15, section 260a, or another applicable law, which authorizes states to observe advanced standard time year-round.

Sec. 79. **FEDERAL FUNDS; SUSPENSION OF STATUTORY APPROPRIATION.**

Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, or any other appropriation of federal funds, any federal funds received by the state of Minnesota for COVID-19 between the effective date of this act and June 30, 2022, must not be spent except pursuant to a direct appropriation by law. This section does not apply to appropriations of federal funds under Laws 2020, Seventh Special Session chapter 2, article 7.

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

Sec. 80. **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.

Sec. 81. **REDUCTION IN APPROPRIATIONS FOR UNFILLED POSITIONS.**

Subdivision 1. **Reduction required.** The general fund and nongeneral fund appropriations to an executive branch state agency for agency operations for the biennium ending June 30, 2023, are reduced by the amount for salary and benefits savings that results from any positions that have not been filled within 180 days of the initial posting of the position. "Agency" as used in this section has the meaning given in Minnesota Statutes, section 16A.011, subdivision 12a, but does not include Minnesota State Colleges and Universities. This section applies only to positions that are posted in fiscal years 2021, 2022, and 2023. Reductions made under this subdivision must be reflected as reductions in agency base budgets for fiscal years 2024 and 2025. This section does not apply to:

- (1) any position within the Department of Public Safety;
- (2) any position that requires law enforcement training; or
- (3) any other public safety position.

Subd. 2. **Reporting.** The commissioner of management and budget must report to the chairs and ranking minority members of the senate and the house of representatives finance committees regarding the amount of reductions in spending by each agency under this section.

Sec. 82. **OBSOLETE RULES REPORT MUST DESCRIBE CURRENT GRANTS OF RULEMAKING AUTHORITY.**

(a) As part of its obsolete rules report due December 1, 2021, each agency must list all current grants of rulemaking authority provided to the agency by law. The list must include a citation to the applicable law, a citation to any current rules adopted under the authority provided by that law, and describe, in the agency's view, whether the grant of authority complies with the provisions of Minnesota Statutes, section 14.05, subdivision 1, that permit adoption of rules only under a specific

grant of rulemaking authority. A grant of rulemaking authority is presumed invalid for purposes of adopting future rules if the authority is not cited in the report required by this section.

(b) The requirements of this section are in addition to the ongoing requirements for the obsolete rules report provided by Minnesota Statutes, section 14.05, subdivision 5.

**Sec. 83. FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **First appointments.** Appointing authorities must make initial appointments to the Legislative Commission on Cybersecurity within 60 days after final enactment. These members serve a term that expires on appointment of a successor after the start of the next regular session of the legislature in 2023.

Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate member of the Legislative Commission on Cybersecurity under Minnesota Statutes, section 3.888, to convene the first meeting within 105 days after final enactment. The commission must select a chair from among the senate members at the first meeting.

Subd. 3. **Meetings in 2021.** Notwithstanding Minnesota Statutes, section 3.888, subdivision 5, the commission must meet at least twice in 2021.

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

**Sec. 84. DESIGNATION AND SALE OF SURPLUS STATE-OWNED REAL PROPERTY; ST. PAUL.**

(a) For purposes of this act, "L'Orient Street property" means the real property located at 1415 L'Orient Street in the city of St. Paul that was acquired by the state using money appropriated from the COVID-19 Minnesota fund in accordance with the Legislative COVID-19 Response Commission, Action Order number 13, signed by the commissioner of management and budget May 7, 2020.

(b) The commissioner of administration must designate the L'Orient Street property as surplus and dispose of the property in accordance with Minnesota Statutes, sections 16B.281 to 16B.287.

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

**Sec. 85. REQUIRING REPAIR AND RETURN OF COLUMBUS STATUE.**

The commissioner of administration shall repair the statue of Christopher Columbus and its pedestal that was illegally removed from its place on the Capitol grounds in the summer of 2020. Notwithstanding any process in law for approving the installation of memorials or artwork on the Capitol grounds, the commissioner must reinstall the statue in its former location on the Capitol grounds on the same pedestal with the same signage as before its removal.

**Sec. 86. TRANSFER FROM THE BOARD OF COSMETOLOGIST EXAMINERS TO COMMISSIONER OF HEALTH.**

Minnesota Statutes, section 15.039, applies to the transfer of responsibilities from the Board of Cosmetologist Examiners to the commissioner of health, except that the position of executive director of the Board of Cosmetologist Examiners is not transferred.

Sec. 87. **REVISOR INSTRUCTION.**

Subdivision 1. **MN.IT.** The revisor of statutes shall change "Office of MN.IT Services" to "Minnesota Department of Information Technology Services" wherever it appears in Minnesota Statutes.

Subd. 2. **Contested case procedures.** By January 15, 2022, the revisor of statutes shall present a bill to the legislature to make the conforming statutory changes to incorporate the contested case procedures under section 16.

Subd. 3. **Cosmetology.** The revisor of statutes shall change the terms "board" and "executive secretary of the board" to "commissioner of health" or "commissioner" wherever those terms appear in Minnesota Statutes, chapter 155A, and in Minnesota Rules adopted by the Board of Cosmetologist Examiners.

Subd. 4. **Enterprise fleet.** The revisor of statutes shall change "central motor pool" to "enterprise fleet" wherever it appears in Minnesota Statutes.

Sec. 88. **REPEALER.**

(a) Minnesota Statutes 2020, section 3.972, subdivisions 2c and 2d, are repealed.

(b) Minnesota Statutes 2020, sections 16E.0466, subdivision 1; 16E.05, subdivision 3; 16E.071; and 16E.145, are repealed.

(c) Minnesota Statutes 2020, section 155A.23, subdivision 2, is repealed.

### ARTICLE 3

#### CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2020, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

- (1) payment for accounting and legal services;
- (2) return of a contribution to the source;
- (3) repayment of a loan made to the principal campaign committee by that committee;
- (4) return of a public subsidy;

(5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fund-raising event;

(6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch as provided in section 10A.173, subdivision 1;

(7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;

(8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;

(9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

(10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

(11) costs of child care for the candidate's children when campaigning;

(12) fees paid to attend a campaign school;

(13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

(14) interest on loans paid by a principal campaign committee on outstanding loans;

(15) filing fees;

(16) post-general election holiday or seasonal cards, thank-you notes, or advertisements in the news media mailed or published prior to the end of the election cycle;

(17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

(18) contributions to a party unit;

(19) payments for funeral gifts or memorials;

(20) the cost of a magnet less than six inches in diameter containing legislator contact information and distributed to constituents;

(21) costs associated with a candidate attending a political party state or national convention in this state;

(22) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question;

(23) costs paid to a third party for processing contributions made by a credit card, debit card, or electronic check;

(24) a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

(25) costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

(26) a donation from a terminating principal campaign committee to the state general fund; ~~and~~

(27) a donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation from state office; and

(28) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to \$2,000 for security expenses for a candidate, including home security hardware, maintenance of home security hardware, identity theft monitoring services, and credit monitoring services.

(b) The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

(c) A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to payments made on or after January 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School League;
- (18) member of the Minnesota Ballpark Authority established in section 473.755;
- (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- (20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;
- (21) supervisor of a soil and water conservation district;
- (22) director of Explore Minnesota Tourism;
- (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;
- (24) citizen member of the Clean Water Council established in section 114D.30;
- (25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;
- (26) district court judge, appeals court judge, or supreme court justice;
- (27) county commissioner;
- (28) member of the Greater Minnesota Regional Parks and Trails Commission; ~~or~~
- (29) member of the Destination Medical Center Corporation established in section 469.41; or

(30) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities.

Sec. 3. Minnesota Statutes 2020, section 10A.09, subdivision 1, is amended to read:

Subdivision 1. **Time for filing.** An individual must file a statement of economic interest ~~with the board~~:

(1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit;

(2) within 60 days of assuming office as a district court judge, appeals court judge, supreme court justice, or county commissioner;

(3) within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective state constitutional or legislative office or an elective local office in a metropolitan governmental unit other than county commissioner;

(4) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or

(5) in the case of members of the Minnesota Racing Commission, the director of the Minnesota Racing Commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Sec. 4. Minnesota Statutes 2020, section 10A.09, subdivision 2, is amended to read:

Subd. 2. **Notice to board.** The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public ~~or local~~ official required by this section to file a statement of economic interest, must notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.

Sec. 5. Minnesota Statutes 2020, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. The individual filing must provide the following information:

(1) name, address, occupation, and principal place of business;

(2) the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual receives more than \$250 in any month during the reporting period as an employee, if the individual has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual received compensation of more than \$2,500 in the past 12 months as an independent contractor; and

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual, at any time during the reporting period.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

~~(e) For the purpose of an original statement of economic interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.~~

~~(d)~~ (c) For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

~~(e)~~ (d) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

~~(f) For the purpose of an original statement of economic interest, the individual shall disclose only those real properties owned on the date of appointment as a public official or filing as a candidate.~~

~~(g)~~ (e) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

~~(h)~~ (f) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

Sec. 6. Minnesota Statutes 2020, section 10A.09, is amended by adding a subdivision to read:

Subd. 5a. **Original statement; reporting period.** (a) An original statement of economic interest required under subdivision 1, clause (1), must cover the calendar month before the month in which the individual accepted employment as a public official or a local official in a metropolitan governmental unit.

(b) An original statement of economic interest required under subdivision 1, clauses (2), (4), and (5), must cover the calendar month before the month in which the individual assumed or undertook the duties of office.

(c) An original statement of economic interest required under subdivision 1, clause (3), must cover the calendar month before the month in which the candidate filed the affidavit of candidacy.

Sec. 7. Minnesota Statutes 2020, section 10A.09, subdivision 6, is amended to read:

Subd. 6. **Annual statement.** (a) Each individual who is required to file a statement of economic interest must also file an annual statement by the last Monday in January of each year that the individual remains in office. The annual statement must cover the period through December 31 of the year prior to the year when the statement is due. The annual statement must include the amount of each honorarium in excess of ~~\$50~~ \$250 received since the previous statement and the name and address of the source of the honorarium. The board must maintain each annual statement of economic interest submitted by an officeholder in the same file with the statement submitted as a candidate.

~~(b) For the purpose of annual statements of economic interest to be filed, "compensation in any month" includes compensation and honoraria received in any month between the end of the period covered in the preceding statement of economic interest and the end of the current period.~~

~~(e)~~ (b) An individual must file the annual statement of economic interest required by this subdivision to cover the period for which the individual served as a public official even though at the time the statement was filed, the individual is no longer holding that office as a public official.

~~(d) For the purpose of an annual statement of economic interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding statement of economic interest and through the last day of the month preceding the current filing or the last day of employment, if the individual is no longer a public official.~~

Sec. 8. Minnesota Statutes 2020, section 10A.14, is amended by adding a subdivision to read:

Subd. 2a. **Alternate contact information; form.** (a) A candidate; treasurer of a political committee, political fund, principal campaign committee, or party unit; or chair of a political committee, principal campaign committee, or party unit may file a form with the board that includes alternate contact information. If a form is filed, the form must include the following information for the filer:

(1) name;

(2) political committee, political fund, principal campaign committee, or party unit; and

(3) alternate contact information.

(b) The board must only use the alternate contact information to contact the filer for the purposes of administering chapter 10A. Information collected pursuant to this subdivision is private data on individuals.

(c) For purposes of this subdivision, "alternate contact information" means an address, phone number, or e-mail address that is different from the information provided on the form required by subdivision 2.

**EFFECTIVE DATE.** This section is effective August 1, 2021.

Sec. 9. Minnesota Statutes 2020, section 10A.20, subdivision 13, is amended to read:

Subd. 13. **Third-party reimbursement.** An individual or association filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph ~~(g)~~ (h) or ~~(h)~~ (m), that is a reimbursement to a third party must report the purpose of each expenditure or disbursement for which the third party is being reimbursed. In the alternative, the reporting individual or association may report individually each of the underlying expenditures being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third-party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.

Sec. 10. Minnesota Statutes 2020, section 10A.27, subdivision 13, is amended to read:

Subd. 13. **Unregistered association limit; statement; penalty.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$200 from an association not registered under this chapter unless the contribution is accompanied by a ~~written~~ statement that meets the disclosure and reporting period requirements imposed by section 10A.20. The statement may be a written statement or a government website where the disclosure report for the unregistered association may be viewed. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the written statement or website with the report that discloses the contribution to the board.

(b) An unregistered association may provide the ~~written~~ statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

(1) fails to provide a ~~written~~ statement as required by this subdivision; or

(2) fails to register after giving the ~~written~~ statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$200 from an unregistered association without the required ~~written~~ disclosure statement is subject to a civil penalty up to four times the amount in excess of \$200.

(d) This subdivision does not apply:

(1) when a national political party contributes money to its state committee; ~~or~~

(2) when a federal committee of a major or minor political party registered with the board gives an in-kind contribution to the federal committee's state central committee or a party organization within a house of the state legislature; or

~~(2)~~ (3) to purchases by candidates for federal office of tickets to events or space rental at events held by party units in this state (i) if the geographical area represented by the party unit includes any part of the geographical area of the office that the federal candidate is seeking and (ii) the purchase price is not more than that paid by other attendees or renters of similar spaces.

Sec. 11. Minnesota Statutes 2020, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district, are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph ~~(g)~~ (h):

(1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone conversation including call, voice mail, text message, multimedia message, internet chat message, or e-mail when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a political party fund-raising effort on behalf of three or more candidates;  
or

(5) expenditures for party committee staff services that benefit three or more candidates.

Sec. 12. Minnesota Statutes 2020, section 10A.31, subdivision 7, is amended to read:

Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the results of the primary election from the secretary of state, but no later than one week after certification of the primary results by the State Canvassing Board, the board must distribute the available money in the

general account, as certified by the commissioner of revenue one week before the state primary and according to allocations set forth in subdivision 5, in equal amounts to all candidates of a major political party whose names are to appear on the ballot in the general election and who:

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323; and
- (3) were opposed in either the primary election or the general election.

(b) If one or more candidates for an office are not eligible for the public subsidy, and one or more candidates for the same office are eligible for the public subsidy, then the amount of public subsidy that would have otherwise been paid to the ineligible candidate or candidates must be equally distributed to the eligible candidate or candidates.

~~(b)~~ (c) The public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account to exceed 50 percent of the expenditure limit for the candidate or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted.

Sec. 13. Minnesota Statutes 2020, section 10A.323, is amended to read:

#### **10A.323 AFFIDAVIT OF CONTRIBUTIONS.**

(a) In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must:

(1) between January 1 of the previous year and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election, accumulate contributions from individuals eligible to vote in this state in at least the amount indicated for the office sought, counting only the first \$50 received from each contributor, excluding in-kind contributions:

- (i) candidates for governor and lieutenant governor running together, \$35,000;
- (ii) candidates for attorney general, \$15,000;
- (iii) candidates for secretary of state and state auditor, separately, \$6,000;
- (iv) candidates for the senate, \$3,000; and
- (v) candidates for the house of representatives, \$1,500;

(2) file an affidavit with the board stating that the principal campaign committee has complied with this paragraph. The affidavit must state the total amount of contributions that have been received from individuals eligible to vote in this state, excluding:

(i) the portion of any contribution in excess of \$50;

(ii) any in-kind contribution; and

(iii) any contribution for which the name and address of the contributor is not known and recorded; and

(3) submit the affidavit required by this section to the board in writing by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, subdivision 4~~2~~.

(b) A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the filing period for the general election must accumulate the contributions specified in paragraph (a) and must submit the affidavit required by this section to the board within five days after the close of the filing period for the special election for which the candidate filed.

(c) Notwithstanding paragraphs (a) and (b), a candidate for a vacancy to be filled at a special election called under section 204B.13, subdivision 2, paragraph (c), must accumulate the contributions specified in paragraph (a) and must submit the affidavit required by this section to the board within 12 calendar days after the general election.

(d) A candidate or the candidate's treasurer must be able to electronically file the affidavit required under this section in the same manner as other reports required by this chapter. The board must not require the candidate or candidate's treasurer to notarize the affidavit of contribution.

Sec. 14. **REPEALER.**

Minnesota Statutes 2020, sections 116O.03, subdivision 9; and 116O.04, subdivision 3, are repealed.

## ARTICLE 4

### ELECTIONS

Section 1. **[5.385] USE OF PUBLIC FUNDS; BALLOT QUESTIONS.**

Notwithstanding section 10A.52, paragraph (b), the secretary of state shall not spend, or cause to be spent, any public funds or use any other public resource with the purpose of promoting or defeating a ballot question at any time. The secretary of state shall not use the inherent prestige of the office in any manner that has the effect of promoting or defeating a ballot question. The secretary of state may spend public funds to provide impartial and balanced information on ballot questions that does not have the effect of promoting or defeating a ballot question. For purposes of this section, public funds means all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity.

Sec. 2. **[10A.52] USE OF PUBLIC FUNDS; BALLOT QUESTIONS.**

(a) No public official shall spend, or cause to be spent, any public funds or use any other public resource with the purpose of promoting or defeating a ballot question or in a manner that has the effect of promoting or defeating a ballot question.

(b) This prohibition only applies after final enactment of a legislative act that places a ballot question on the ballot.

(c) For purposes of this section, public funds means all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity.

Sec. 3. Minnesota Statutes 2020, section 201.061, subdivision 1a, is amended to read:

Subd. 1a. **Incomplete registration by mail.** ~~If the county auditor determines that a voter who has submitted a voter registration application by mail has not previously voted in this state for a federal office and has also not presented a document authorized for election day registration in section 201.061, subdivision 3, to the county auditor, and the county auditor is unable to verify the voter's driver's license, state identification, or last four digits of the voter's Social Security number as provided by the voter on the voter registration application whether the voter is eligible to vote, then the county auditor must notify the voter that the registration is incomplete and to complete registration by using one of the following methods:~~

~~(1) presenting to the auditor submitting a completed voter registration application more than 20 days before the election a document authorized for election day registration in section 201.061, subdivision 3;~~

~~(2) registering in person before or on election day; or~~

~~(3) if voting by absentee ballot or by mail, following election day registration procedures for absentee voters as described in section 203B.04, subdivision 4; or~~

~~(4) providing proof of residence by any of the methods authorized for election day registration in section 201.061, subdivision 3.~~

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 4. Minnesota Statutes 2020, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, ~~by and completing a voter registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:~~

~~(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;~~

~~(2) presenting any document approved by the secretary of state as proper identification;~~

~~(3) presenting one of the following:~~

~~(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or~~

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) ~~having a voter who is registered to vote in the precinct, or an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof of residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof of residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof of residence oaths. For each proof of residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.~~

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) ~~The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.~~

(e) ~~"Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.~~

(d) ~~For tribal band members, an individual may prove residence for purposes of registering by:~~

(1) ~~presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or~~

(2) ~~presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name,~~

signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B. For purposes of registration under this subdivision, the voter registration application must be printed on or affixed to a provisional ballot envelope and contain the information required by section 201.071, subdivision 1. The application may be completed using an electronic roster and then printed and affixed to the provisional ballot envelope. An individual who registers on election day is entitled to cast a provisional ballot pursuant to section 204C.135.

(e) (b) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 5. Minnesota Statutes 2020, section 201.061, subdivision 4, is amended to read:

Subd. 4. **Registration by election judges; procedures.** Registration at the polling place on election day shall be conducted by the election judges. Before registering an individual to vote at the polling place, the election judge must review any list of absentee election day registrants provided by the county auditor or municipal clerk to see if the person has already voted by absentee ballot. If the person's name appears on the list, the election judge must not allow the individual to register or to vote in the polling place. The election judge who registers an individual at the polling place on election day shall not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration applications ~~and forms for oaths~~ shall be available at each polling place. ~~If an individual who registers on election day proves residence by oath of a registered voter, the form containing the oath shall be attached to the individual's registration application. Registration applications completed on election day shall be forwarded to the county auditor who shall add the name of each voter to the registration system unless the information forwarded is substantially deficient. A county auditor who finds an election day registration substantially deficient shall give written notice to the individual whose registration is found deficient. An election day registration shall not be found deficient solely because the individual who provided proof of residence was ineligible to do so.~~

Sec. 6. Minnesota Statutes 2020, section 201.091, subdivision 4, is amended to read:

Subd. 4. **Public information lists.** (a) The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. The list must indicate each voter whose status is challenged in the statewide voter registration system at the time the list was prepared. For each voter, the list must include the history of each change in status and the date that the change to that status was made. The list must also include individuals that were previously registered but were removed or made inactive in the statewide voter registration system, and the reason for the removal or inactivation.

The list must not include the party choice of any voter who voted in a presidential nomination primary. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts.

(b) The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the

public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

(c) Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

(d) Upon receipt of a statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of a registered voter.

**EFFECTIVE DATE.** This section is effective July 1, 2021, and applies to public information lists created on or after that date. Information on status changes or individuals removed from the statewide voter registration system collected prior to July 1, 2021, must not be included on a public information list.

Sec. 7. Minnesota Statutes 2020, section 201.121, subdivision 1, is amended to read:

Subdivision 1. **Entry of registration information.** (a) At the time a voter registration application is properly completed, submitted, and received in accordance with sections 201.061 and 201.071, the county auditor shall enter the information contained on it into the statewide registration system. Voter registration applications completed before election day must be entered into the statewide registration system within ten days after they have been submitted to the county auditor. Voter registration applications completed on election day must be entered into the statewide registration system ~~within 42~~ as soon as possible, but no later than three days after the election, ~~unless the county auditor notifies the secretary of state before the deadline has expired that the deadline will not be met. Upon receipt of a notification under this paragraph, the secretary of state must extend the deadline for that county auditor by an additional 28 days. The secretary of state may waive a county's obligations under this paragraph if, on good cause shown, the county demonstrates its permanent inability to comply.~~

~~The secretary of state must post data on each county's compliance with this paragraph on the secretary of state's website including, as applicable, the date each county fully complied or the deadline by which a county's compliance must be complete.~~

(b) Upon receiving a completed voter registration application, the secretary of state may electronically transmit the information on the application to the appropriate county auditor as soon as possible for review by the county auditor before final entry into the statewide registration system. The secretary of state may mail the voter registration application to the county auditor.

(c) Within ten days after the county auditor has entered information from a voter registration application into the statewide registration system, the secretary of state shall compare the voter's

name, date of birth, and driver's license number, state identification number, or the last four digits of the Social Security number with the same information contained in the Department of Public Safety database. For applications received on election day, this must be completed within three days after the county auditor or municipal clerk has entered the information into the statewide voter registration system.

(d) The secretary of state shall provide a report to the county auditor on a weekly basis that includes a list of voters whose name, date of birth, or identification number have been compared with the same information in the Department of Public Safety database and cannot be verified as provided in this subdivision. The report must list separately those voters who have submitted a voter registration application by mail and have not voted in a federal election in this state. For the six days following an election, the secretary of state must provide this report at least daily to county auditors and municipal clerks.

(e) The county auditor shall compile a list of voters for whom the county auditor and the secretary of state are unable to conclude that information on the voter registration application and the corresponding information in the Department of Public Safety database relate to the same person.

(f) The county auditor shall send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to "incomplete." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to complete the registration at least 21 days before the next election or at the polling place on election day.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 8. Minnesota Statutes 2020, section 201.121, subdivision 3, is amended to read:

Subd. 3. **Postelection sampling.** (a) Within ten days after an election, the county auditor shall send the notice required by subdivision 2 to a random sampling of the individuals registered on election day. The random sampling shall be determined in accordance with the rules of the secretary of state. As soon as practicable after the election, the county auditor shall mail the notice required by subdivision 2 to all other individuals registered on election day. If a notice is returned as not deliverable, the county auditor shall attempt to determine the reason for the return. A county auditor who does not receive or obtain satisfactory proof of an individual's eligibility to vote shall immediately notify the county attorney of all of the relevant information. The By February 15 of each year, the county auditor must notify the secretary of state of the following information for each election held in the previous year by each precinct:

- (1) the total number of all notices that were returned as nondeliverable;
- (2) the total number of nondeliverable notices that the county auditor was able to determine the reason for the return along with the reason for each return; and
- (3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

(b) By March 1 of every ~~odd-numbered~~ year, the secretary of state shall report to the chair and ranking minority members of the legislative committees with jurisdiction over elections the following information for each election held in the previous year by each precinct and each county:

(1) the total number of all notices that were returned as nondeliverable;

(2) the total number of nondeliverable notices that a county auditor was able to determine the reason for the return along with the reason for each return; and

(3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

**Sec. 9. [201.146] NOTICE OF CHALLENGE; CONTEST.**

Subdivision 1. **Notice of challenge.** No later than seven days after changing the status of a registrant in the statewide voter registration system pursuant to section 201.13, subdivision 1, 201.14, or 201.145, the county auditor or municipal clerk must mail a notice to the registrant. The notice must include, at a minimum, the following information:

(1) a statement that the voter's status was challenged or that a challenge was removed;

(2) the reason for the change;

(3) a copy of the information provided by the state agency or court that was the basis for the change in status; and

(4) a description of the process to contest the change in status, as provided in subdivision 2.

Subd. 2. **Contest.** (a) An individual whose status was challenged in the statewide voter registration system pursuant to section 201.13, subdivision 1, 201.14, or 201.145 has the right to contest the challenge as provided in this section.

(b) To contest the challenge, the individual must file a contest petition with the named entity. The petition must state the basis for the contest and provide any supporting documentation. The individual may request a review meeting as part of the petition. The meeting may be conducted by interactive video technology. The petition must be in a form prescribed by the secretary of state.

(c) No later than seven days after receiving the contest petition, the named entity must review the contest petition and any supporting documentation, as well as the data provided to the secretary of state. If the individual requested a review meeting, the named entity must schedule a meeting with the individual within 14 days after receiving the contest petition.

(d) After reviewing the required data, and after the review meeting if one occurred, the named entity must determine whether the data is accurate or should be changed. If the named entity determines that no change to the data is required, the named entity must notify the individual. If the named entity determines that the data must be changed, the named entity must promptly notify the individual and the secretary of state. Upon receiving the changed data from the named entity, the secretary of state must promptly remove the challenged status. If an individual disagrees with the decision of the named entity, the individual may appeal to the district court.

(e) For purposes of this section, "named entity" means the entity listed in the notice as required by subdivision 1, clause (3).

**EFFECTIVE DATE.** This section is effective July 1, 2021, and applies to individuals who are challenged on or after that date, and applies to reports received by the secretary of state on or after that date. The notices required by subdivision 1 must be sent to individuals who are challenged in the statewide voter registration system pursuant to this section on or after July 1, 2021.

Sec. 10. Minnesota Statutes 2020, section 201.225, subdivision 2, is amended to read:

Subd. 2. **Technology requirements.** An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to locate a voter record or populate a voter registration application that would be printed and signed and dated by the voter. ~~The printed registration application can be either a printed form, labels printed with voter information to be affixed to a preprinted form, or a combination of both~~ and affixed to the provisional ballot envelope;

(4) allow an election judge to update data that was populated from a scanned driver's license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a scanned driver's license or identification card that is otherwise required to be collected from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter has already voted in that precinct, the voter's registration status is challenged, or it appears the voter resides in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a space for the voter's original signature. The printed voter signature certificate can be either a printed form or a label printed with the voter's information to be affixed to the oath;

(10) contain only preregistered voters within the precinct, and not contain preregistered voter data on voters registered outside of the precinct;

(11) be only networked within the polling location on election day, except for the purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the Office of the Secretary of State in consultation with the Office of MN.IT Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration of the participating election, as determined by the secretary of state.

Electronic rosters used only for election day registration do not need to comply with clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing do not need to comply with clauses (4) and (5).

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 11. Minnesota Statutes 2020, section 201.225, subdivision 5, is amended to read:

Subd. 5. **Election day.** (a) Precincts may use electronic rosters for election day registration, to process preregistered voters, or both. ~~The printed election day registration applications must be reviewed when electronic records are processed in the statewide voter registration system.~~ The election judges shall determine the number of ballots to be counted by counting the number of original voter signature certificates or the number of voter receipts.

(b) Each precinct using electronic rosters shall have a paper backup system approved by the secretary of state present at the polling place to use in the event that the election judges are unable to use the electronic roster.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 12. Minnesota Statutes 2020, section 203B.01, subdivision 3, is amended to read:

Subd. 3. **Military.** "Military" means the Army, Navy, Air Force, Marine Corps, Coast Guard or Merchant Marine of the United States, all other uniformed services as defined in United States Code, title 52, section 20310, and military forces as defined by section 190.05, subdivision 3, or any eligible citizen of Minnesota enrolled as a student at the United States Naval Academy, the United States Coast Guard Academy, the United States Merchant Marine Academy, the United States Air Force Academy, or the United States Military Academy.

Sec. 13. Minnesota Statutes 2020, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **Application procedures.** (a) Except as otherwise allowed by subdivision 2 or by section 203B.11, subdivision 4, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided by the secretary of state and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing. An application may be submitted in person, by electronic facsimile device, by electronic mail, or by mail to:

(1) the county auditor of the county where the applicant maintains residence; or

(2) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

For a federal, state, or county election, an absentee ballot application may alternatively be submitted electronically through a secure website that shall be maintained by the secretary of state for this purpose. Notwithstanding paragraph (b), the secretary of state must require applicants using the website to submit the applicant's e-mail address and verifiable Minnesota driver's license number, Minnesota state identification card number, or the last four digits of the applicant's Social Security number.

An application submitted electronically under this paragraph may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must review all unverifiable applications for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.

(b) An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, date of birth, and at least one of the following:

(1) the applicant's Minnesota driver's license number;

(2) Minnesota state identification card number;

(3) the last four digits of the applicant's Social Security number; or

(4) a statement that the applicant does not have any of these numbers.

(c) To be approved, the application must contain an oath that the information contained on the form is accurate, that the applicant is applying on the applicant's own behalf, and that the applicant is signing the form under penalty of perjury.

(d) An applicant's full date of birth, Minnesota driver's license or state identification number, and the last four digits of the applicant's Social Security number must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day, except as authorized in section 203B.12, and must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

(e) An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

Sec. 14. Minnesota Statutes 2020, section 203B.04, subdivision 4, is amended to read:

Subd. 4. **Registration at time of application.** An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by ~~including~~ submitting a completed voter registration application with the absentee ballot. ~~The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots~~ If the absentee ballot and voter registration application are returned by mail, the voter registration must be placed into the return envelope along with the signature envelope. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 15. Minnesota Statutes 2020, section 203B.07, subdivision 3, is amended to read:

Subd. 3. **Eligibility certificate.** A certificate of eligibility to vote by absentee ballot shall be printed on the back of the return envelope. The certificate shall contain space for the voter's Minnesota driver's license number, state identification number, or the last four digits of the voter's Social Security number, or to indicate that the voter does not have one of these numbers. The space must be designed to ensure that the voter provides the same type of identification as provided on the voter's absentee ballot application for purposes of comparison. The certificate must also contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot and space for a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(1) the ballots were displayed to that individual unmarked; and

(2) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; ~~and~~

~~(3) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.~~

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 16. Minnesota Statutes 2020, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** (a) When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope and. The county auditor must open the return envelope to determine if a voter registration application is in the envelope. If a voter registration application is in the envelope, the county auditor must remove the voter registration application. The county auditor must reseal the return envelope, initial across the seal, and note that a voter registration application was removed from the envelope. The county auditor must place ~~it~~ all return envelopes in a secure location with other return envelopes received

by that office. Except for voter registration applications removed pursuant to this section, all contents of the return envelope must remain in the return envelope until delivered to the ballot board.

(b) Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if delivered by mail or a package delivery service, shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

(c) Upon removing the voter registration application as required by paragraph (a), the county auditor must immediately process the voter registration application as provided in section 201.121, subdivisions 1 and 2.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 17. Minnesota Statutes 2020, section 203B.081, subdivision 1, is amended to read:

Subdivision 1. **Location; timing.** An eligible voter may vote by absentee ballot in the office of the county auditor and at any other polling place designated by the county auditor during the 46 days before the election, except as provided in this section. Any other polling place designated by the county auditor pursuant to this section must be at a precinct polling place designated pursuant to section 204B.16. Where the county auditor administers absentee voting, all polling places must be open for in-person absentee voting for the entire absentee voting period during the same days and hours as the office of the county auditor is open for in-person absentee voting. Where a municipal clerk has been designated to administer absentee voting pursuant to section 203B.05, all polling places designated within the municipality must be open for in-person absentee voting for the entire absentee voting period during the regular business hours for the municipal clerk's office.

Sec. 18. Minnesota Statutes 2020, section 203B.081, subdivision 2, is amended to read:

Subd. 2. **Town elections.** Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before the election. ~~The county auditor shall make such designations at least 14 weeks before the election.~~ At least one voting booth in each polling place must be made available by the county auditor for this purpose. The county auditor must also make available at least one electronic ballot marker in each polling place that has implemented a voting system that is accessible for individuals with disabilities pursuant to section 206.57, subdivision 5.

Sec. 19. Minnesota Statutes 2020, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) The county auditor may make available a ballot counter and ballot box for use by ~~the~~ preregistered voters during the seven days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, address, and date of birth to the county auditor or municipal clerk. The voter shall

sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by the county auditor, municipal clerk, or a deputy of the auditor or clerk.

(f) If a person is not preregistered to vote, the person must not be allowed to cast an absentee ballot using the alternative procedure authorized by this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 20. Minnesota Statutes 2020, section 203B.12, subdivision 7, is amended to read:

Subd. 7. **Names of persons; rejected absentee ballots.** The names of voters who have submitted an absentee ballot to the county auditor or municipal clerk that has not been accepted may not be made available for public inspection until the close of voting on election day.

After the close of voting on election day, the lists must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

Sec. 21. Minnesota Statutes 2020, section 203B.121, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all return signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each return signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the return signature envelope "Accepted" and initial or sign the return signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the return signature envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct ~~or has included a properly completed voter registration application in the return envelope;~~

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the seventh day before the election, by absentee ballot.

The ~~return~~ signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a ~~return~~ signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the ~~return~~ signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the ~~security~~ secrecy envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and ~~return~~ signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot ~~return~~ signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 22. Minnesota Statutes 2020, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the seventh day before the election, the ballots from ~~return~~ secrecy envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

Sec. 23. Minnesota Statutes 2020, section 203B.24, subdivision 1, is amended to read:

Subdivision 1. **Check of voter eligibility; proper execution of certificate.** Upon receipt of an absentee ballot returned as provided in sections 203B.16 to 203B.27, the election judges shall compare the voter's name with the names recorded under section 203B.19 in the statewide registration system to insure that the ballot is from a voter eligible to cast an absentee ballot under sections 203B.16 to 203B.27. The election judges shall mark the ~~return~~ signature envelope "Accepted" and initial or sign the ~~return~~ signature envelope below the word "Accepted" if the election judges are satisfied that:

(1) the voter's name and address on the ~~return~~ signature envelope appears in substantially the same form as on the application records provided to the election judges by the county auditor;

(2) the voter has signed the federal oath prescribed pursuant to section 705(b)(2) of the Help America Vote Act, Public Law 107-252;

(3) the voter has set forth the same voter's passport number, or Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as submitted on the application, if the voter has one of these documents;

(4) the voter is not known to have died; and

(5) the voter has not already voted at that election, either in person or by absentee ballot.

If the identification number described in clause (3) does not match the number as submitted on the application, the election judges must make a reasonable effort to satisfy themselves through other information provided by the applicant, or by an individual authorized to apply on behalf of the voter, that the ballots were returned by the same person to whom the ballots were transmitted.

An absentee ballot cast pursuant to sections 203B.16 to 203B.27 may only be rejected for the lack of one of clauses (1) to (5). In particular, failure to place the ballot within the ~~security~~ secrecy envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

Election judges must note the reason for rejection on the back of the envelope in the space provided for that purpose.

Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the certificate on the return envelope is not properly executed. In all other respects the provisions of the Minnesota Election Law governing deposit and counting of ballots shall apply. Notwithstanding other provisions of this section, the counting of the absentee ballot of a deceased voter does not invalidate the election.

Sec. 24. Minnesota Statutes 2020, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the seventh day before the general election. The filing officer shall provide copies of the form to make the request. ~~No~~ The filing officer shall not accept a written request ~~shall be accepted~~ later than 5:00 p.m. on the last day for filing a written request.

(b) A candidate for president of the United States who files a request under this subdivision must ~~include the name of a candidate for vice president of the United States.~~ file jointly with another individual seeking nomination as a candidate for vice president of the United States. A candidate for vice president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

(c) A candidate for governor who files a request under this subdivision must ~~include the name of a candidate for lieutenant governor.~~ file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

Sec. 25. Minnesota Statutes 2020, section 204B.14, subdivision 3, is amended to read:

Subd. 3. **Boundary changes; prohibitions; exception.** (a) Notwithstanding other law or charter provisions to the contrary, during the period from January 1 in any year ending in zero to the time when the legislature has been redistricted in a year ending in one or two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision.

~~(a)~~ (b) If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.

~~(b)~~ (c) A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.

~~(c)~~ (d) Precinct boundaries in a city of the first class electing council members by wards may be reestablished within four weeks of the adoption of ward boundaries in a year ending in one, as provided in section 204B.135, subdivision 1. If precinct boundaries are reestablished in a year ending in one, the city council must designate polling places for each election precinct pursuant to section

204B.16, subdivision 1, within 30 days establishing precinct boundaries. The polling place designations are effective for the year ending in one.

~~(d)~~ (e) Precinct boundaries must be reestablished within 60 days of the time when the legislature has been redistricted, or at least 19 weeks before the state primary election in a year ending in two, whichever comes first. The governing body of each municipality and of each county with precincts in unorganized territory must designate polling places for each election precinct pursuant to section 204B.16, subdivision 1, within 30 days of establishing precinct boundaries or at least 19 weeks before the state primary election in a year ending in two, whichever comes first. The adoption of reestablished precinct boundaries and polling places becomes effective on the date of the state primary election in the year ending in two.

(f) Precincts must be arranged so that no precinct lies in more than one legislative or congressional district.

Sec. 26. Minnesota Statutes 2020, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made:

- (1) pursuant to section 204B.175;
- (2) because a polling place has become unavailable; ~~or~~
- (3) because a township designates one location for all state and federal elections and one location for all township only elections; and
- (4) pursuant to section 204B.14, subdivision 3.

(b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 27. Minnesota Statutes 2020, section 204B.21, is amended by adding a subdivision to read:

Subd. 4. **Election judge list; party affiliation.** (a) Notwithstanding section 13.43, the municipal clerk or county auditor must submit to the secretary of state a list of each person who served as an election judge for an election. The list must be submitted to the secretary of state within 14 days after an election. The list must include the following information for each election judge:

(1) name;

(2) address;

(3) whether the election judge was appointed from a list provided by a major political party or from another source; if the election judge was appointed from another source, the list must include a description of that source; and

(4) whether the election judge was affiliated with a major political party and, if so, which party.

(b) Notwithstanding section 13.43, the secretary of state must provide a list of politically affiliated election judges to the chair of the respective major political party. The lists must be provided to the chairs between 14 and 21 days after an election. The information on the lists must be used only for purposes related to elections or political activity.

Sec. 28. Minnesota Statutes 2020, section 204B.36, subdivision 2, is amended to read:

Subd. 2. **Candidates and offices.** The name of each candidate shall be printed at a right angle to the length of the ballot. At a general election the name of the political party or the political principle of each candidate for partisan office shall be printed above or below the name of the candidate. The name of a political party or a political principle shall be printed in capital and lowercase letters of the same type, with the capital letters at least one-half the height of the capital letters used for names of the candidates. At a general or special election, blank lines containing the words "write-in, if any" shall be printed below the name of the last candidate for each office, or below the title of the office if no candidate has filed for that office, so that a voter may write in the names of individuals whose names are not on the ballot. One blank line shall be printed for each officer of that kind to be elected. At a primary election, no blank lines shall be provided for writing in the names of individuals whose names do not appear on the primary ballot.

On the left side of the ballot at the same level with the name of each candidate and each blank line shall be printed an oval or similar target shape in which the voter may designate a vote by filling in the oval or similar mark if a different target shape is used. Each oval or target shape shall be the same size. Above the first name on each ballot shall be instructions for voting. Directly underneath the official title of each office shall be printed the words "Vote for one" or "Vote for up to ..." (any greater number to be elected).

Sec. 29. **[204B.50] RANKED-CHOICE VOTING; PROHIBITION.**

(a) The following political subdivisions may not adopt or enforce in any manner a rule, resolution, charter provision, or ordinance establishing ranked-choice voting as a method of voting, or any voting method similar to ranked-choice voting, for local offices within the political subdivision:

(1) home rule charter or statutory cities;

(2) counties;

(3) townships; and

(4) school districts.

(b) For purposes of this section, "ranked-choice voting" means any election method in which a voter ranks or assigns a numerical value to candidates for an office in order of the voter's preference.

(c) Any rule, resolution, charter provision, or ordinance inconsistent with this section is void.

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

Sec. 30. Minnesota Statutes 2020, section 204C.05, subdivision 1a, is amended to read:

Subd. 1a. **Elections; organized town.** The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section 200.02, subdivision 24, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor and the secretary of state of the change 30 days before the election.

Sec. 31. Minnesota Statutes 2020, section 204C.05, subdivision 1b, is amended to read:

Subd. 1b. **Elections; unorganized territory.** An unorganized territory or unorganized territories which constitute a voting district may have shorter voting hours if at least 20 percent of the registered voters residing in the voting district sign a petition for shorter hours and present it to the county auditor and secretary of state at least 30 days before the election. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The county auditor shall either post or publish notice of the changed hours, within the voting district, 30 days before the election.

Sec. 32. Minnesota Statutes 2020, section 204C.10, is amended to read:

**204C.10 POLLING PLACE ROSTER; VOTER SIGNATURE CERTIFICATE; VOTER RECEIPT.**

(a) An individual seeking to vote shall sign a polling place roster or voter signature certificate which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, maintains residence at the address shown, is not under a guardianship in which the court order revokes the individual's right to vote, has not been found by a court of law to be legally incompetent to vote or has the right to vote because, if the individual was convicted of a felony, the felony sentence has expired or been completed or the individual has been discharged from the sentence, is registered and has not already voted in the election. The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both."

(b) At the presidential nomination primary, the polling place roster must also state: "I am in general agreement with the principles of the party for whose candidate I intend to vote." This statement must appear separately from the statements required in paragraph (a). The felony penalty provided for in paragraph (a) does not apply to this paragraph.

(c) ~~A judge may~~, Before the applicant signs the roster or voter signature certificate, an election judge must confirm the applicant's name, address, and date of birth. If the voter's registration status is challenged, the voter must not be allowed to sign the polling place roster or a voter signature certificate, but must be allowed to cast an administrative challenged ballot or a verification challenged ballot pursuant to section 204C.136. A voter must be allowed to cast an administrative challenged ballot if the basis of the challenge is:

(1) based on a death reported by the commissioner of health;

(2) a name change recorded with a court in state;

(3) a Minnesota court order revoking the person's right to vote or where the court has found the person to be legally incompetent to vote;

(4) a felony conviction; or

(5) a temporary lawful status in the county based on a person's driver's license status.

A voter must be allowed to cast a verification challenged ballot if the challenge is for any other reason.

(d) After the applicant signs the roster or voter signature certificate, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

(e) ~~Whenever a challenged status appears on the polling place roster,~~ If a voter has a challenged status in the statewide voter registration system at the time the roster was prepared, the voter's challenged status must be indicated on the roster. The roster must also include the basis for the challenge. An election judge must ensure that the challenge is concealed or hidden from the view of any voter other than the voter whose status is challenged.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 33. Minnesota Statutes 2020, section 204C.12, subdivision 2, is amended to read:

Subd. 2. **Statement of grounds; oath.** A challenger must be a resident of this state. The secretary of state shall prepare a form that challengers must complete and sign when making a challenge. The form must include space to state the ground for the challenge, a statement that the challenge is based on the challenger's personal knowledge, and a statement that the challenge is made under oath. The form must include a space for the challenger's printed name, signature, telephone number, and address.

~~An election judge shall administer to the challenged individual the following oath:~~

~~"Do you solemnly swear (or affirm) that you will fully and truly answer all questions put to you concerning your eligibility to vote at this election?"~~

~~The election judge shall then ask the challenged individual sufficient questions to test that individual's residence and right to vote.~~

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 34. **[204C.135] PROVISIONAL BALLOTS.**

Subdivision 1. **Casting provisional ballots.** (a) A voter who registered on election day pursuant to section 201.061, subdivision 3, is entitled to cast a provisional ballot.

(b) A voter seeking to cast a provisional ballot must sign a provisional ballot roster or a provisional voter signature certificate and complete a voter registration application. The voter registration application may be completed by an electronic roster and affixed to the provisional ballot envelope. The voter must also swear or affirm in writing that the voter is eligible to vote, has not voted previously in the same election, and meets the criteria for registering to vote in the precinct in which the voter appears.

(c) Once the voter has completed the provisional ballot envelope, the voter must be allowed to cast a provisional ballot. The provisional ballot must be in the same form as the official ballot available in the precinct on election day. A completed provisional ballot shall be sealed in a secrecy envelope. The secrecy envelope shall be sealed inside the voter's provisional ballot envelope and deposited by the voter in a secure, sealed provisional ballot box. Completed provisional ballots must not be combined with other voted ballots in the polling place.

(d) The secretary of state must prescribe the form of the secrecy and provisional ballot envelopes. The provisional ballot envelope must be a color other than that provided for absentee ballot envelopes or challenged ballot envelopes and must be prominently labeled "Provisional Ballot Envelope."

(e) Provisional ballots and related documentation shall be delivered to and securely maintained by the county auditor or municipal clerk in the same manner as required for other election materials under sections 204C.27 and 204C.28.

Subd. 2. **Accepting or rejecting provisional ballot envelopes.** (a) Within seven days after the election, two or more election judges that are affiliated with different major political parties must process each applicant's registration application as provided by section 201.121, subdivisions 1 and 2. If more than two election judges are processing registration applications, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges processing voter registration applications must have a major political party affiliation. If the applicant is registered to vote, then the election judges must determine if the voter's status is challenged in the statewide voter registration system. If the voter's status is challenged, the provisional ballot must not be accepted but must be processed as a challenged ballot as provided in section 204C.136, subdivision 2. If the ballot will be treated as a verification challenged ballot, the election judges must attempt to contact the voter to inform the voter they must appear in-person to prove their eligibility to vote before their ballot will be counted. If the applicant is registered to vote and the voter's status is not challenged in the statewide voter registration system, that voter's provisional ballot envelope must be accepted. The election judges must mark the provisional ballot envelope "Accepted" and initial or sign the envelope below the word "Accepted." If the applicant is not registered to vote, the provisional ballot envelope must be rejected. If a provisional ballot envelope is rejected, the election

judges must mark the provisional ballot envelope "Rejected," initial or sign it below the word "Rejected," and list the reason for rejection on the envelope. The election judges must promptly record in the statewide voter registration system that a voter's provisional ballot envelope has been accepted or rejected.

(b) The county auditor or municipal clerk must mail the voter a written notice of provisional ballot rejection between six and ten weeks following the election. The notice must include the reason for rejection and the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(c) A provisional ballot envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Subd. 3. **Provisional ballots; reconciliation.** On the seventh day after the election and prior to counting any provisional ballots in the final vote totals from a precinct, the two or more election judges that are affiliated with different major political parties must verify that the number of signatures appearing on the provisional ballot roster from that precinct is equal to or greater than the number of provisional ballots submitted by voters in the precinct on election day. If more than two election judges are reconciling ballots, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges must have a major political party affiliation. Any discrepancy must be resolved before the provisional ballots from the precinct may be counted. Excess provisional ballots must be randomly withdrawn from the accepted provisional ballots in the manner required by section 204C.20, subdivision 2.

Subd. 4. **Counting provisional ballots.** Once the reconciliation process required by subdivision 3 is completed, accepted provisional ballot envelopes must be opened; duplicated as needed in the manner provided in section 206.86, subdivision 5; initialed by the election judges; and deposited in the appropriate ballot box. If more than one ballot is enclosed in the ballot envelope, the ballots must be spoiled and must not be counted.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 35. [204C.136] **CHALLENGED BALLOTS.**

Subdivision 1. **Casting challenged ballots.** (a) A voter whose registration status is challenged is entitled to cast a challenged ballot. A voter must be allowed to cast an administrative challenged ballot if the basis of the challenge is:

(1) based on a death reported by the commissioner of health;

(2) a name change recorded with a court in state;

(3) a Minnesota court order revoking the person's right to vote or where the court has found the person to be legally incompetent to vote;

(4) a felony conviction; or

(5) a temporary lawful status in the county based on a person's driver's license status.

A voter must be allowed to cast a verification challenged ballot if the challenge is for any other reason. For purposes of this section, both types of challenged ballots are handled the in the same manner except where otherwise specified.

(b) A voter seeking to cast a challenged ballot must sign a challenged ballot roster or a challenged voter signature certificate and complete a challenged ballot envelope. The roster must indicate whether the voter is provided with an administrative challenged ballot or a verification challenged ballot. The envelope must contain a space for the voter to list the voter's name, address of residence, date of birth, voter identification number, and any other information prescribed by the secretary of state. The voter must also swear or affirm, in writing, that the voter is eligible to vote, has not voted previously in the same election, and meets the criteria for registering to vote in the precinct in which the voter appears.

(c) Once the voter has completed the challenged ballot envelope, the voter must be allowed to cast a challenged ballot. The challenged ballot must be in the same form as the official ballot available in the precinct on election day. A completed challenged ballot shall be sealed in a secrecy envelope. The secrecy envelope shall be sealed inside the voter's challenged ballot envelope and deposited by the voter in a secure, sealed challenged ballot box. There must be separate ballot boxes for administrative challenged ballot envelopes and verification challenged ballot envelopes. Completed challenged ballots may not be combined with other voted ballots in the polling place.

(d) The form of the secrecy and challenged ballot envelopes shall be prescribed by the secretary of state. The administrative challenged ballot envelopes and verification challenged ballot envelopes must be different colors and must be a color other than that provided for absentee ballot envelopes or provisional ballot envelopes and must be prominently labeled "Administrative Challenged Ballot Envelope" or "Verification Challenged Envelope."

(e) Challenged ballots and related documentation shall be delivered to and securely maintained by the county auditor or municipal clerk in the same manner as required for other election materials under sections 204C.27 and 204C.28.

**Subd. 2. Accepting or rejecting challenged ballot envelopes.** (a) This paragraph applies to accepting or rejecting administrative challenged ballot envelopes. Before the meeting of the canvassing board, the two or more election judges that are affiliated with different major political parties must accept or reject each challenged ballot. If more than two election judges are processing registration applications, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges processing voter registration applications must have a major political party affiliation. The election judges must review the information in the statewide voter registration system, required by section 201.145, subdivision 1, paragraph (b), for the date of the election. If the information shows that the voter was not challenged, or should not have been challenged on that date and was otherwise eligible to vote, that voter's challenged ballot must be accepted. The election judges must mark the challenged ballot envelope "Accepted" and initial or sign the envelope below the word "Accepted." If a challenged ballot envelope is not accepted, the election judges must mark the challenged ballot envelope "Rejected," initial or sign it below the word "Rejected," and list the reason for the rejection on the envelope. The election judges must promptly record in the statewide voter registration system that a voter's challenged ballot has been accepted or rejected.

(b) This paragraph applies to accepting or rejecting verification challenged ballot envelopes. A voter who casts a verification challenged ballot may personally appear at the office of the county auditor or municipal clerk no later than seven calendar days following the election to prove that the voter's challenged ballot should be counted. The county auditor's office and the city clerk's office must be open for approving verification challenged ballots on the Saturday following the election for the hours prescribed in section 203B.085. The voter must provide proof of eligibility to vote in the precinct where the voter cast the verification challenged ballot. Two or more election judges that are affiliated with different major political parties must review the voter's proof of eligibility. If more than two election judges are reviewing eligibility, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges processing voter registration applications must have a major political party affiliation. The election judges must accept a challenged ballot if the voter is able to provide satisfactory proof of the voter's eligibility. The election judges must mark the challenged ballot envelope "Accepted" and initial or sign the envelope below the word "Accepted." If a challenged ballot envelope is not accepted, the election judges must mark the challenged ballot envelope "Rejected," initial or sign it below the word "Rejected," and list the reason for the rejection on the envelope. The election judges must promptly record in the statewide voter registration system that a voter's challenged ballot has been accepted or rejected.

(c) The county auditor or municipal clerk must mail the voter a written notice of challenged ballot rejection between six and ten weeks following the election. The notice must include the reason for rejection and the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(d) A challenged ballot envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Subd. 3. **Challenged ballots; reconciliation.** Prior to counting any challenged ballots in the final vote totals from a precinct, the two or more election judges that are affiliated with different major political parties must verify that the number of signatures appearing on the challenged ballot roster from that precinct is equal to or greater than the number of challenged ballots submitted by voters in the precinct on election day. If more than two election judges are reconciling ballots, the party balance requirements of section 204B.19, subdivision 5, apply. All election judges must have a major political party affiliation. Any discrepancy must be resolved before the challenged ballots from the precinct may be counted. Excess challenged ballots to be counted must be randomly withdrawn in the manner required by section 204C.20, subdivision 2.

Subd. 4. **Counting challenged ballots.** Accepted challenged ballot envelopes must be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the election judges, and deposited in the appropriate ballot box. If more than one ballot is enclosed in the ballot envelope, the ballots must be spoiled and must not be counted.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 36. **[204C.137] PROVISIONAL AND CHALLENGED BALLOTS; PUBLIC INFORMATION LISTS.**

On the eighth day after the election, the following information must be made available for public inspection:

- (1) the names of all voters who cast provisional ballots;
- (2) the names of all voters whose provisional ballots were rejected;
- (3) the names of all voters who cast challenged ballots and whether the ballot was an administrative challenged ballot or a verification challenged ballot; and
- (4) the names of all voters whose challenged ballots were rejected.

This information must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

Sec. 37. Minnesota Statutes 2020, section 204C.21, subdivision 1, is amended to read:

Subdivision 1. **Method.** The election judges shall take all the ballots of the same kind and count the votes cast for each office or question, beginning with the first office or question on the ballot. They shall make one pile of the ballots for each candidate who received votes for that office, or one pile for the "Yes" votes and one pile for the "No" votes on a question. They shall make a pile of totally defective ballots and a pile of totally blank ballots. They shall make a pile of ballots that are not totally defective but are defective with respect to the office or question being counted and a pile of ballots that are not totally blank but are blank with respect to the office or question being counted. After the separation into piles, the election judges shall examine each pile and remove and place in the proper pile any ballots that are found in the wrong pile. The election judges shall count the totally blank and totally defective ballots and set them aside until the counting is over for that ballot. In conducting the count of blank ballots, election judges may presume that the total count provided for sealed prepackaged ballots is correct. The election judges may pile ballots crosswise in groups of 25 in the same pile to facilitate counting. When their counts agree, the election judges shall announce the number of ballots in each pile, and shall write the number in the proper place on the summary statements.

The election judges shall then return all the counted ballots, and all the partially defective or partially blank ballots, to the original pile to be separated and counted in the same manner for the next office or question.

Sec. 38. Minnesota Statutes 2020, section 204C.24, is amended by adding a subdivision to read:

Subd. 3. **Copy to candidates.** Upon request of a candidate or a candidate's representative, an election judge must provide a copy of the summary statement or printed tape results to the candidate or representative.

Sec. 39. Minnesota Statutes 2020, section 204C.27, is amended to read:

#### **204C.27 DELIVERY OF RETURNS TO COUNTY AUDITORS.**

One or more of the election judges in each precinct shall deliver ~~two sets~~ one set of summary statements; all spoiled ballots; and the envelopes containing the ballots either directly to the municipal clerk for transmittal to the county auditor's office or directly to the county auditor's office as soon

as possible after the vote counting is completed but no later than 24 hours after the end of the hours for voting. One or more election judges shall deliver the remaining set of summary statements and returns, all unused and spoiled municipal and school district ballots, the envelopes containing municipal and school district ballots, and all other things furnished by the municipal or school district clerk, to the municipal or school district clerk's office within 24 hours after the end of the hours for voting. The municipal or school district clerk shall return all polling place rosters and completed voter registration cards to the county auditor within 48 hours after the end of the hours for voting.

Sec. 40. Minnesota Statutes 2020, section 204C.32, is amended to read:

**204C.32 CANVASS OF STATE PRIMARIES.**

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office on ~~either the second or third~~ the tenth day following the state primary. After taking the oath of office, the canvassing board shall publicly canvass the election returns delivered to the county auditor. The board shall complete the canvass by the ~~third~~ tenth day following the state primary and shall promptly prepare and file with the county auditor a report that states:

- (a) the number of individuals voting at the election in the county, and in each precinct;
- (b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;
- (c) for each major political party, the names of the candidates running for each partisan office and the number of votes received by each candidate in the county and in each precinct;
- (d) the names of the candidates of each major political party who are nominated; and
- (e) the number of votes received by each of the candidates for nonpartisan office in each precinct in the county and the names of the candidates nominated for nonpartisan office.

Upon completion of the canvass, the county auditor shall mail or deliver a notice of nomination to each nominee for county office voted for only in that county. The county auditor shall transmit one of the certified copies of the county canvassing board report for state and federal offices to the secretary of state by express mail or similar service immediately upon conclusion of the county canvass. The secretary of state shall mail a notice of nomination to each nominee for state or federal office.

Subd. 2. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area ~~seven~~ 14 days after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. Immediately after the canvassing board declares the results, the secretary of state shall certify the names of the nominees to the county auditors. The secretary of state shall mail to each nominee a notice of nomination.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 41. Minnesota Statutes 2020, section 204C.33, subdivision 1, is amended to read:

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office between the ~~third~~ tenth and ~~tenth~~ 17th days following the state general election. After taking the oath of office, the board shall promptly and publicly canvass the general election returns delivered to the county auditor. Upon completion of the canvass, the board shall promptly prepare and file with the county auditor a report which states:

- (a) the number of individuals voting at the election in the county and in each precinct;
- (b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;
- (c) the names of the candidates for each office and the number of votes received by each candidate in the county and in each precinct;
- (d) the number of votes counted for and against a proposed change of county lines or county seat; and
- (e) the number of votes counted for and against a constitutional amendment or other question in the county and in each precinct.

The result of write-in votes cast on the general election ballots must be compiled by the county auditor before the county canvass, except that write-in votes for a candidate for federal, state, or county office must not be counted unless the candidate has timely filed a request under section 204B.09, subdivision 3. The county auditor shall arrange for each municipality to provide an adequate number of election judges to perform this duty or the county auditor may appoint additional election judges for this purpose. The county auditor may open the envelopes or containers in which the voted ballots have been sealed in order to count and record the write-in votes and must reseal the voted ballots at the conclusion of this process. The county auditor must prepare a separate report of votes received by precinct for write-in candidates for federal, state, and county offices who have requested under section 204B.09 that votes for those candidates be tallied.

Upon completion of the canvass, the county canvassing board shall declare the candidate duly elected who received the highest number of votes for each county and state office voted for only within the county. The county auditor shall transmit a certified copy of the county canvassing board report for state and federal offices to the secretary of state by messenger, express mail, or similar service immediately upon conclusion of the county canvass.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 42. Minnesota Statutes 2020, section 204C.36, subdivision 1, is amended to read:

Subdivision 1. **Publicly funded recounts.** (a) Except as provided in paragraphs (b) and (c), a losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for the nomination or election to that office if the difference between the vote cast for that candidate and for a winning candidate for nomination or election is less than one-quarter of one percent of the total votes counted for that office. In case of offices where two or more seats are being filled from among all the candidates for the office, the one-quarter of

one percent difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

(b) A losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for nomination or election to that office if the difference between the votes cast for that candidate and for a winning candidate for nomination or election is less than one-half of one percent, and the total number of votes cast for the nomination or election of all candidates is more than 400 but less than 50,000. In cases of offices where two or more seats are being filled from among all the candidates for the office, the one-half of one percent difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

(c) A losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for nomination or election to that office if the difference between the vote cast for that candidate and for a winning candidate for nomination or election is ten votes or less, and the total number of votes cast for the nomination or election of all candidates is no more than 400. In cases of offices where two or more seats are being filled from among all the candidates for the office, the ten vote difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

(d) Candidates for county offices shall file a written request for the recount with the county auditor. Candidates for municipal or school district offices shall file a written request with the municipal or school district clerk as appropriate. All requests under this paragraph shall be filed ~~by~~ between the close of the canvass of a primary or special primary and 5:00 p.m. on the fifth day after the canvass of a primary or special primary or ~~by~~ between the close of the canvass of a special or general election and 5:00 p.m. on the seventh day of the canvass of a special or general election for which a recount is sought.

(e) Upon receipt of a request made pursuant to this section, the county auditor shall recount the votes for a county office at the expense of the county, the governing body of the municipality shall recount the votes for a municipal office at the expense of the municipality, and the school board of the school district shall recount the votes for a school district office at the expense of the school district.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 43. Minnesota Statutes 2020, section 204C.37, is amended to read:

**204C.37 COUNTY CANVASS; RETURN OF REPORTS TO SECRETARY OF STATE.**

A copy of the report required by sections 204C.32, subdivision 1, and 204C.33, subdivision 1, shall be certified under the official seal of the county auditor. The copy shall be enclosed in an envelope addressed to the secretary of state, with the county auditor's name and official address and the words "Election Returns" endorsed on the envelope. The copy of the canvassing board report must be sent by express mail or delivered to the secretary of state. If the copy is not received by the secretary of state within ~~ten~~ 17 days following ~~the applicable election~~ a primary election, or within 24 days following a general election, the secretary of state shall immediately notify the county auditor, who shall deliver another copy to the secretary of state by special messenger.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 44. Minnesota Statutes 2020, section 204D.08, subdivision 4, is amended to read:

Subd. 4. **State partisan primary ballot; party columns.** The state partisan primary ballot shall be headed by the words "State Partisan Primary Ballot." The ballot shall be printed on white paper. There must be at least three vertical columns on the ballot and each major political party shall have a separate column headed by the words "..... Party," giving the party name. Above the party names, the following statement shall be printed.

"Minnesota Election Law permits you to vote for the candidates of only one political party in a state partisan primary election."

If there are only two major political parties to be listed on the ballot, one party must occupy the left-hand column, the other party must occupy the right-hand column, and the center column must contain the following statement:

"Do not vote for candidates of more than one party."

The names of the candidates seeking the nomination of each major political party shall be listed in that party's column. If only one individual files an affidavit of candidacy seeking the nomination of a major political party for an office, the name of that individual shall be placed on the state partisan primary ballot at the appropriate location in that party's column.

In each column, the candidates for senator in Congress shall be listed first, candidates for representative in Congress second, candidates for state senator third, candidates for state representative fourth and then candidates for state office in the order specified by the secretary of state. Vacant offices being filled by special election must be listed with other offices of that type, but after any office of that type for which a candidate will be elected for a full term.

The party columns shall be substantially the same in width, type, and appearance. The columns shall be separated by a 12-point solid line.

Sec. 45. Minnesota Statutes 2020, section 204D.13, subdivision 1, is amended to read:

Subdivision 1. **Order of offices.** The candidates for partisan offices shall be placed on the state general election ballot in the following order: senator in Congress shall be first; representative in Congress, second; state senator, third; and state representative, fourth. The candidates for state offices shall follow in the order specified by the secretary of state. Candidates for governor and lieutenant governor shall appear so that a single vote may be cast for both offices. Vacant offices being filled by special election must be listed with other offices of that type, but after any office of that type for which a candidate will be elected for a full term.

Sec. 46. Minnesota Statutes 2020, section 204D.195, is amended to read:

**204D.195 DATE OF SPECIAL ELECTION; CERTAIN TIMES PROHIBITED.**

Notwithstanding any other provision of law, a special primary and special general election may not be held:

(1) for a period beginning the day following the date of the state primary election and ending the day prior to the date of the state general election; or

(2) on a holiday, or during the four days before or after a holiday, as defined in section 645.44, subdivision 5.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to special elections occurring on or after that date.

Sec. 47. Minnesota Statutes 2020, section 204D.27, subdivision 5, is amended to read:

Subd. 5. **Canvass; special primary; state canvassing board; contest.** Not later than four days after the returns of the county canvassing boards are certified to the secretary of state, the State Canvassing Board shall complete its canvass of the special primary. The secretary of state shall then promptly certify to the county auditors the names of the nominated individuals, prepare notices of nomination, and notify each nominee of the nomination. In case of a contest of a special primary for state senator or state representative, the notice of contest must be filed within two days, excluding Sundays and legal holidays, after the canvass is completed, and the contest shall otherwise proceed in the manner provided by law for contesting elections.

Sec. 48. Minnesota Statutes 2020, section 204D.28, subdivision 9, is amended to read:

Subd. 9. **Filing by candidates.** The time for filing of affidavits and nominating petitions for candidates to fill a vacancy at a special election shall open 12 weeks before the special primary or on the day the secretary of state issues notice of the special election, whichever occurs later. Filings shall close ten weeks before the special primary. A candidate filing for the office of United States senator to fill a vacancy at a special election when both offices of United States senator are required to be placed on the same ballot must specify on the affidavit of candidacy the expiration date of the term of the office that the candidate is seeking.

Sec. 49. Minnesota Statutes 2020, section 204D.28, subdivision 10, is amended to read:

Subd. 10. **United States senator; candidates; designation of term.** When the names of candidates for both offices of United States senator are required to be placed on the same ballot, the expiration date of the term of each office shall be printed on the ballot in the office heading opposite the name of each candidate for nomination or election to that office.

Sec. 50. Minnesota Statutes 2020, section 205.065, subdivision 5, is amended to read:

Subd. 5. **Results.** The municipal primary shall be conducted and the returns made in the manner provided for the state primary so far as practicable. ~~The canvass may be conducted on either the second or third day after the primary.~~

The governing body of the municipality shall canvass the returns on the tenth day after the primary, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to the office, who receive the highest number of votes, shall be the nominees for the office named. Their names shall be certified to the municipal clerk who shall place them on the municipal general election ballot without partisan designation and without payment of an additional fee.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 51. Minnesota Statutes 2020, section 205.185, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** (a) Between the ~~third~~ tenth and ~~tenth~~ 17th days after an election, the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns, and declare the results of the election. The governing body of a town conducting the general election in March shall act as the canvassing board, canvass the returns, and declare the results of the election within ~~two~~ nine days after an election.

(b) After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court.

(c) In case of a tie vote, the canvassing board having jurisdiction over the municipality shall determine the result by lot. The clerk of the canvassing board shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 52. Minnesota Statutes 2020, section 205A.03, subdivision 4, is amended to read:

Subd. 4. **Results.** ~~(a)~~ The school district primary must be conducted and the returns made in the manner provided for the state primary as far as practicable. ~~If the primary is conducted:~~

~~(1) only within that school district, a canvass may be conducted on either the second or third day after the primary; or~~

~~(2) in conjunction with the state primary, the canvass must be conducted on the third day after the primary, except as otherwise provided in paragraph (b).~~

On the tenth day after the primary, the school board of the school district shall canvass the returns, and the two candidates for each specified school board position who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to at-large school board positions who receive the highest number of votes, are the nominees for the office named. Their names must be certified to the school district clerk who shall place them on the school district general election ballot without partisan designation and without payment of an additional fee.

~~(b) Following a school district primary as described in paragraph (a), clause (2), a canvass may be conducted on the second day after the primary if the county auditor of each county in which the school district is located agrees to administratively review the school district's primary voting statistics for accuracy and completeness within a time that permits the canvass to be conducted on that day.~~

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 53. Minnesota Statutes 2020, section 205A.10, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** Between the ~~third~~ tenth and ~~tenth~~ 17th days after a school district election other than a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school board shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

Sec. 54. Minnesota Statutes 2020, section 206.805, subdivision 1, is amended to read:

Subdivision 1. **Contracts required.** (a) The secretary of state, with the assistance of the commissioner of administration, must establish one or more state voting systems contracts. The contracts should, if practical, include provisions for maintenance of the equipment purchased. The voting systems contracts must address precinct-based optical scan voting equipment, assistive voting technology, automatic tabulating equipment, and electronic roster equipment. The contracts must give the state a perpetual license to use and modify the software. The contracts must include provisions to escrow the software source code, ~~as provided in subdivision 2.~~ Bids for voting systems and related election services must be solicited from each vendor selling or leasing voting systems that have been certified for use by the secretary of state. Bids for electronic roster equipment, software, and related services must be solicited from each vendor selling or leasing electronic roster equipment that meets the requirements of section 201.225, subdivision 2. The contracts must be renewed from time to time.

(b) Counties and municipalities may purchase or lease voting systems and obtain related election services from the state contracts. All counties and municipalities are members of the cooperative purchasing venture of the Department of Administration for the purpose of this section. For the purpose of township elections, counties must aggregate orders under contracts negotiated under this section for products and services and may apportion the costs of those products and services

proportionally among the townships receiving the products and services. The county is not liable for the timely or accurate delivery of those products or services.

Sec. 55. Minnesota Statutes 2020, section 206.89, subdivision 4, is amended to read:

Subd. 4. **Standard of acceptable performance by voting system.** A comparison of the results compiled by the voting system with the postelection review described in this section must show that the results of the electronic voting system differed ~~by no more than one-half of one percent~~ from the manual count of the offices reviewed ~~by no more than two votes in a precinct where fewer than 1,200 voters cast ballots, three votes in a precinct where between 1,200 and 1,599 voters cast ballots, four votes in a precinct where between 1,600 and 1,999 voters cast ballots, or five votes in a precinct where 2,000 or more voters cast ballots.~~ Valid votes that have been marked by the voter outside the vote targets or using a manual marking device that cannot be read by the voting system must not be included in making the determination whether the voting system has met the standard of acceptable performance for any precinct.

Sec. 56. Minnesota Statutes 2020, section 206.89, subdivision 5, is amended to read:

Subd. 5. **Additional review.** (a) If the postelection review in one of the reviewed precincts reveals a difference greater than ~~one-half of one percent, or greater than two votes in a precinct where 400 or fewer voters cast ballots~~ the thresholds specified in subdivision 4, the postelection review official must, within two days, conduct an additional review of the races indicated in subdivision 3 in at least three precincts in the same jurisdiction where the discrepancy was discovered. If all precincts in that jurisdiction have been reviewed, the county auditor must immediately publicly select by lot at least three additional precincts for review. The postelection review official must complete the additional review within two days after the precincts are selected and report the results immediately to the county auditor. If the second review in any of the reviewed precincts also indicates a difference in the vote totals compiled by the voting system that is greater than ~~one-half of one percent from the result indicated by the postelection review, or greater than two votes in a precinct where 400 or fewer voters cast ballots~~ the thresholds specified in subdivision 4, the county auditor must conduct a review of the ballots from all the remaining precincts in the county for the races indicated in subdivision 3. This review must be completed and the results must be reported to the secretary of state within one week after the second review was completed.

(b) If the results from the countywide reviews from one or more counties comprising in the aggregate more than ten percent of the total number of persons voting in the election clearly indicate that an error in vote counting has occurred, the secretary of state must notify the postelection review official of each county in the district that they must conduct manual recounts of all the ballots in the district for the affected office using the procedure outlined in section 204C.35. The recount must be completed and the results reported to the appropriate canvassing board within two weeks after the postelection review official received notice from the secretary of state.

Sec. 57. Minnesota Statutes 2020, section 206.90, subdivision 6, is amended to read:

Subd. 6. **Ballots.** In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink. In state elections, a single ballot title must be used, as provided in sections 204D.08, subdivision 6,

and 204D.11, subdivision 1. ~~In odd-numbered years~~ When both municipal and school district offices or questions appear on the ballot, the single ballot title "City (or Town) and School District Ballot" must be used.

On the front of the ballot must be printed the words "Official Ballot" and the date of the election and lines for the initials of at least two election judges.

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

On optical scan ballots, the names of candidates and the words "yes" and "no" for ballot questions must be printed as close to their corresponding vote targets as possible.

The line on an optical scan ballot for write-in votes must contain the words "write-in, if any."

If a primary ballot contains both a partisan ballot and a nonpartisan ballot, the instructions to voters must include a statement that reads substantially as follows: "This ballot card contains a partisan ballot and a nonpartisan ballot. On the partisan ballot you are permitted to vote for candidates of one political party only." If a primary ballot contains political party columns on both sides of the ballot, the instructions to voters must include a statement that reads substantially as follows: "Additional political parties are printed on the other side of this ballot. Vote for one political party only." At the bottom of each political party column on the primary ballot, the ballot must contain a statement that reads substantially as follows: "Continue voting on the nonpartisan ballot." The instructions in section 204D.08, subdivision 4, do not apply to optical scan partisan primary ballots. Electronic ballot displays and audio ballot readers must follow the order of offices and questions on the optical scan or paper ballot used in the same precinct, or the sample ballot posted for that precinct.

Sec. 58. **[206.93] AUDIT LOGS.**

(a) For purposes of this section, "audit log" means recorded information that allows a person to see each action of the equipment, including transmitting data in any manner, in a way that allows the person to verify or reconstruct the steps followed without compromising the ballot or voter secrecy.

(b) Each ballot tabulator used in the state must maintain an audit log. A full copy of each tabulator's audit log must be printed after the tabulation of election results on election night. The printed copy of the log must be retained in the county auditor or municipal clerk's office as provided in section 204B.40.

(c) Within 30 days of the state general election, the county auditor or municipal clerk must provide to the secretary of state copies of the audit log from each tabulator used in the state primary or the state general election. The secretary of state must compile the audit logs and transmit them to the legislature by January 1 of each odd-numbered year.

Sec. 59. Minnesota Statutes 2020, section 207A.13, is amended to read:

**207A.13 FORM OF BALLOTS; CANDIDATES ON BALLOT.**

Subdivision 1. **Form.** (a) Except as provided by law, presidential nomination primary ballots shall be printed in the same manner as state primary ballots as far as practicable. A sufficient number of each ballot shall be printed for each precinct and ward in the state.

(b) There must be separate ballots for the names of the candidates of each participating political party. Each ballot must be headed by the words "Presidential Nomination Primary Ballot." The heading must also indicate the party that appears on the ballot.

(c) If requested by a party chair, the ballot for that participating party must contain a place for a voter to indicate a preference for having delegates to the party's national convention remain uncommitted. If requested by a party chair, the ballot for that participating party must contain a blank line printed below the other choices on the ballot so that a voter may write in the name of a person who is not listed on the ballot. A request under this paragraph must be submitted to the secretary of state no later than 63 days before the presidential nomination primary.

Subd. 2. **Candidates on the ballot.** (a) Each party participating in the presidential nomination primary must determine which candidates are to be placed on the presidential nomination primary ballot for that party. The chair of each participating party must submit to the secretary of state the names of the candidates to appear on the ballot for that party no later than 63 days before the presidential nomination primary. Once submitted, changes must not be made to the candidates that will appear on the ballot.

(b) No later than the seventh day before the presidential nomination primary, the chair of each participating party must submit to the secretary of state the names of write-in candidates, if any, to be counted for that party.

Sec. 60. Minnesota Statutes 2020, section 207A.14, subdivision 3, is amended to read:

Subd. 3. **Notice of primary to public.** At least 15 days before the date of the presidential nomination primary, each municipal clerk shall post a public notice stating the date of the presidential nomination primary, the location of each polling place in the municipality, the hours during which the polling places in the municipality will be open, and information about the requirements of section 207A.12, paragraph (b), ~~including a notice that the voter's choice of a political party's ballot will be recorded and is public information.~~ The county auditor shall post a similar notice in the auditor's office with information for any polling places in unorganized territory in the county. The governing body of a municipality or county may publish the notice in addition to posting it. Failure to give notice does not invalidate the election.

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

Sec. 61. Minnesota Statutes 2020, section 208.03, is amended to read:

**208.03 NOMINATION OF PRESIDENTIAL ELECTORS AND ALTERNATES.**

Presidential electors and alternates for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. Each major political party shall nominate one presidential

elector from each congressional district and two presidential electors from the state at large. At least 71 days before the general election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of persons nominated as alternate presidential electors, and the names of the party candidates for president and vice president. For each person nominated as an elector or alternate elector, the chair shall indicate whether the person is nominated as an at-large elector or is nominated to represent a congressional district. If the person is nominated to represent a congressional district, the chair must indicate the congressional district number for each nominee. The chair shall also certify that the party candidates for president and vice president have no affidavit on file as a candidate for any office in this state at the ensuing general election.

Sec. 62. Minnesota Statutes 2020, section 208.05, is amended to read:

#### **208.05 STATE CANVASSING BOARD.**

The State Canvassing Board at its meeting on the date provided in section 204C.33 shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices statewide and within each congressional district, and declare the person or persons receiving the highest number of votes for each office duly elected, as follows:

(1) the statewide vote totals must be used to determine the persons elected to serve as electors under the at-large designation; and

(2) the vote totals within each congressional district must be used to determine the person elected to serve as an elector representing that district.

When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 63. Minnesota Statutes 2020, section 367.25, subdivision 1, is amended to read:

Subdivision 1. **Requirement, fee.** Every person elected at a March election, elected at a special election, or appointed to a town office, within ten days after receiving a certificate or notice of election or appointment, shall take and subscribe the oath required by law. Persons elected at a November election shall take their oath before assuming office. If taken before the town clerk, the oath shall be administered and certified without fee.

Sec. 64. Minnesota Statutes 2020, section 412.02, subdivision 2a, is amended to read:

Subd. 2a. **Vacancy.** Except as otherwise provided in subdivision 2b, a vacancy in an office shall be filled by council appointment until an election is held as provided in this subdivision. In case of a tie vote in the council, the mayor shall make the appointment. If the vacancy occurs before the first day to file affidavits of candidacy for the next regular city election and more than two years remain in the unexpired term, a special election shall be held at or before the next regular city election and the appointed person shall serve until the qualification of a successor elected at a special election

to fill the unexpired portion of the term. If the vacancy occurs on or after the first day to file affidavits of candidacy for the regular city election or when less than two years remain in the unexpired term, there need not be a special election to fill the vacancy and the appointed person shall serve until the qualification of a successor. The council must specify by ordinance under what circumstances it will hold a special election to fill a vacancy other than a special election held at the same time as the regular city election.

All of the provisions of the Minnesota Election Law are applicable to special elections as far as practicable.

Sec. 65. AUDIT OF ELECTION EQUIPMENT.

(a) For purposes of this section, "election equipment means" electronic poll books, tabulating equipment, electronic voting systems, and assistive voting technology.

(b) The legislative auditor must conduct an audit of election equipment and related software as described in this section. The auditor must complete the audit by February 1, 2022. The auditor may contract with a vendor to complete any or all of the requirements of this section. At a minimum, the audit must include eight cities or counties in the metropolitan area, as defined by Minnesota Statutes, section 473.121, subdivision 2, and eight cities or counties outside of the metropolitan area. To the extent possible, the auditor must select cities and counties so as to examine at least one of each model of tabulator used in the state and at least one of each model of assistive voting equipment used in the state.

(c) The auditor must review all elections policies, procedures, and practices, for:

(1) selecting and procuring election equipment and related software; and

(2) for updating or maintaining election equipment and related software.

The auditor must determine whether the policies, procedures, and practices are consistent with state law.

(d) The auditor must examine election equipment and related software that was used in the 2020 general election. At a minimum, the auditor must:

(1) specify the brand, model, and year of manufacture for each piece of election equipment;

(2) specify the brand and version of each type of software used;

(3) determine whether any software updates or other changes were made to the equipment after completion of the testing required by Minnesota Statutes, section 206.83, and if so, the purpose of the updates or changes;

(4) whether the equipment is capable of connecting to the internet or is otherwise capable of transmitting data;

(5) review the incident logs from each polling place to identify incidents related to equipment or software and determine the cause of the incident and how it was resolved; and

(6) review the source code to determine whether the code functioned as represented by the vendor and that the code was free from defects.

Upon request, the secretary of state must provide a copy of the source code to the auditor.

(e) For each piece of equipment that is capable of connecting to the internet or otherwise capable of transmitting data, the auditor must:

(1) determine the manner of connecting to the internet and any security or encryption measures in place; and

(2) review any audit log or other similar data to determine each time the equipment was connected to the internet since September 18, 2020, and if possible, determine the purpose of the connection.

(f) The auditor must examine each ballot tabulator or central count machine or the related software to determine the accuracy of the machine. For the 2020 general election results, the auditor must also examine whether the tape from the tabulator or machine accurately reflects the ballots counted by the machine.

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

**Sec. 66. PUBLIC AWARENESS CAMPAIGN; SECRETARY OF STATE.**

The secretary of state must contract with a vendor to conduct a public awareness campaign to encourage people to register to vote prior to election day. At a minimum, the vendor must conduct the public awareness campaign in each even-numbered year from June 1 until the voter registration period ends prior to the state general election. The secretary of state may consult with the vendor in coordinating material related to the campaign, but the secretary, the secretary's staff, and any other documents or materials promoting the Office of the Secretary of State may not appear visually or audibly in any advertising or promotional items disseminated by the vendor as part of the public awareness campaign.

**EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to elections on or after that date.

**Sec. 67. REPEALER.**

Minnesota Statutes 2020, sections 135A.17, subdivision 2; 201.061, subdivision 7; and 204C.12, subdivision 3, are repealed.

**Sec. 68. EFFECTIVE DATE.**

Except as otherwise provided, this article is effective July 1, 2021 and applies to elections on or after that date."

Delete the title and insert:

"A bill for an act relating to operation of state government; appropriating money for the legislature, office of the governor and lieutenant governor, secretary of state, attorney general, state auditor, and certain state agencies, departments, offices, boards, commissions, councils, Minnesota

State Lottery, Minnesota Humanities Center, and certain retirement accounts; canceling certain 2021 appropriated funds; modifying Legislative Coordinating Commission provisions; creating the Legislative Commission on Cybersecurity; modifying the legislative auditor's duties; prohibiting a businesses address on the secretary of state's website under certain circumstances; modifying provisions pertaining to peacetime emergencies, administrative procedures, and distribution of state employees during a layoff; establishing the SAVI program; determining growth of state employment; requiring audits of state use of federal funds; making changes affecting the budget and budget forecast; authorizing virtual payments; modifying provisions affecting the motor pool; changing the name of the office of MN.IT Services; requiring the state to contract with a pharmacy benefit manager; adding provisions related to cosmetology, public employee pay, non-health-related licensing board, gambling, retirement, standard of time, federal funds for COVID-19 spending, executive orders, unfilled state agency positions, obsolete rules report, state surplus property, repair of Christopher Columbus statue, campaign finance, and elections; amending Minnesota Statutes 2020, sections 3.302, subdivision 3; 3.303, subdivision 1; 3.8853, subdivision 4, by adding a subdivision; 3.971, subdivision 2, by adding a subdivision; 3.972, subdivisions 2, 2a; 3.9741, subdivision 5; 3.978, subdivision 2; 3.979, subdivision 3; 3.98, subdivision 1; 10A.01, subdivisions 26, 35; 10A.09, subdivisions 1, 2, 5, 6, by adding a subdivision; 10A.14, by adding a subdivision; 10A.20, subdivision 13; 10A.27, subdivision 13; 10A.275, subdivision 1; 10A.31, subdivision 7; 10A.323; 12.31, subdivision 2; 13.64, subdivisions 3, 4; 14.05, subdivision 1; 14.389, subdivision 5; 14.57; 15.01; 16A.06, by adding a subdivision; 16A.152, subdivision 2; 16A.28, subdivision 3; 16B.24, subdivision 1, by adding a subdivision; 16B.281, subdivisions 3, 6; 16B.2975, by adding a subdivision; 16B.48, subdivision 2; 16B.54, subdivisions 1, 2; 16E.01; 16E.016; 16E.02; 16E.03, subdivisions 1, 2, 3, 6; 16E.036; 16E.04, subdivision 3; 16E.0465, subdivision 2; 16E.05, subdivision 1; 16E.07, subdivision 12; 16E.21, subdivision 2; 97A.057, subdivision 1; 138.081, subdivisions 1, 2, 3; 138.31, by adding a subdivision; 138.34; 138.38; 138.40; 138.661, subdivision 2, by adding a subdivision; 138.665, subdivision 2; 138.666; 138.667; 138.669; 138.763, subdivision 1; 155A.23, subdivision 16, by adding a subdivision; 155A.271, subdivision 2; 179A.20, by adding a subdivision; 201.061, subdivisions 1a, 3, 4; 201.091, subdivision 4; 201.121, subdivisions 1, 3; 201.225, subdivisions 2, 5; 203B.01, subdivision 3; 203B.04, subdivisions 1, 4; 203B.07, subdivision 3; 203B.08, subdivision 3; 203B.081, subdivisions 1, 2, 3; 203B.12, subdivision 7; 203B.121, subdivisions 2, 4; 203B.24, subdivision 1; 204B.09, subdivision 3; 204B.14, subdivision 3; 204B.16, subdivision 1; 204B.21, by adding a subdivision; 204B.36, subdivision 2; 204C.05, subdivisions 1a, 1b; 204C.10; 204C.12, subdivision 2; 204C.21, subdivision 1; 204C.24, by adding a subdivision; 204C.27; 204C.32; 204C.33, subdivision 1; 204C.36, subdivision 1; 204C.37; 204D.08, subdivision 4; 204D.13, subdivision 1; 204D.195; 204D.27, subdivision 5; 204D.28, subdivisions 9, 10; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; 206.805, subdivision 1; 206.89, subdivisions 4, 5; 206.90, subdivision 6; 207A.13; 207A.14, subdivision 3; 208.03; 208.05; 214.01, subdivision 3; 349.15, subdivision 1; 349.151, subdivision 2; 349A.08, subdivision 9; 353.27, subdivision 3c; 353.505; 367.25, subdivision 1; 412.02, subdivision 2a; 477A.03, subdivision 2b; 645.071; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10A; 15; 16A; 43A; 138; 201; 204B; 204C; 206; repealing Minnesota Statutes 2020, sections 3.972, subdivisions 2c, 2d; 16E.0466, subdivision 1; 16E.05, subdivision 3; 16E.071; 16E.145; 116O.03, subdivision 9; 116O.04, subdivision 3; 135A.17, subdivision 2; 155A.23, subdivision 2; 201.061, subdivision 7; 204C.12, subdivision 3."

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senator Nelson introduced--**

**S.F. No. 2386:** A bill for an act relating to taxation; modifying income taxes, sales taxes, and property taxes; adopting federal rules for Paycheck Protection Program loans; increasing property tax refunds; creating a sales tax exemption for food service equipment purchases by certain food service establishments; providing a sales tax exemption for certain COVID-19-related expenses; establishing the school homestead credit; appropriating money; amending Minnesota Statutes 2020, sections 273.1392; 273.1393; 275.065, subdivision 3; 276.04, subdivision 2; 297A.68, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes.

**Senators Duckworth and Rosen introduced--**

**S.F. No. 2387:** A bill for an act relating to finance; requiring a report at the conclusion of a biennium; repealing an obsolete tobacco bonds provision; amending Minnesota Statutes 2020, sections 16A.103, by adding a subdivision; 16A.97; repealing Minnesota Statutes 2020, section 16A.98.

Referred to the Committee on Finance.

**Senator Nelson introduced--**

**S.F. No. 2388:** A bill for an act relating to early childhood; appropriating money for early learning scholarships.

Referred to the Committee on Education Finance and Policy.

**Senator Utke introduced--**

**S.F. No. 2389:** A bill for an act relating to health care; recognizing tribal medical cannabis programs and coordinating tribal medical cannabis programs with the state medical cannabis program; amending Minnesota Statutes 2020, sections 152.22, by adding a subdivision; 152.25, by adding a subdivision; 152.27, subdivision 6; 152.32, subdivision 3.

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

**MOTIONS AND RESOLUTIONS**

Senator Jasinski moved that the names of Senators Duckworth and Newton be added as co-authors to S.F. No. 852. The motion prevailed.

Senator Eaton moved that the name of Senator Rest be added as a co-author to S.F. No. 1312. The motion prevailed.

Senator Kunesh moved that the name of Senator Bigham be added as a co-author to S.F. No. 1989. The motion prevailed.

Senator Dibble moved that the name of Senator Rest be added as a co-author to S.F. No. 2017. The motion prevailed.

Senator Dornink moved that the name of Senator Rarick be added as a co-author to S.F. No. 2091. The motion prevailed.

Senator Benson moved that the name of Senator Nelson be added as a co-author to S.F. No. 2372. The motion prevailed.

Senator Dziejdzic moved that the name of Senator Franzen be added as a co-author to S.F. No. 2374. The motion prevailed.

**Senator Pratt introduced --**

**Senate Resolution No. 47:** A Senate resolution congratulating Ben Thompson of Shakopee, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

**SPECIAL ORDERS**

Pursuant to Rule 26, Senator Gazelka, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 1020 and 352.

**SPECIAL ORDER**

**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, subdivision 1, by adding a subdivision.

Senator Dahms moved to amend S.F. No. 1020 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 45.305, subdivision 1, is amended to read:

Subdivision 1. ~~Appraiser and Insurance Internet prelicense courses.~~ **Appraiser and Insurance Internet prelicense courses.** The design and delivery of ~~an appraiser prelicense education course or an insurance prelicense education course~~ must be approved by the International Distance Education Certification Center (IDECC) before the course is submitted for the commissioner's approval.

Sec. 2. Minnesota Statutes 2020, section 45.305, is amended by adding a subdivision to read:

Subd. 1a. **Appraiser Internet prelicense courses.** The requirements for the design and delivery of an appraiser prelicense education course are the requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

Sec. 3. Minnesota Statutes 2020, section 45.306, is amended by adding a subdivision to read:

Subd. 1a. **Appraiser Internet continuing education courses.** The requirements for the design and delivery of an appraiser continuing education course are the requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

Sec. 4. Minnesota Statutes 2020, section 45.33, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** In connection with an approved course, coordinators and instructors must not:

- (1) recommend or promote the services or practices of a particular business;
- (2) encourage or recruit individuals to engage the services of, or become associated with, a particular business;
- (3) use materials, clothing, or other evidences of affiliation with a particular entity, except as provided under subdivision 3;
- (4) require students to participate in other programs or services offered by the instructor, coordinator, or education provider;
- (5) attempt, either directly or indirectly, to discover questions or answers on an examination for a license;
- (6) disseminate to any other person specific questions, problems, or information known or believed to be included in licensing examinations;
- (7) misrepresent any information submitted to the commissioner;
- (8) fail to cover, or ensure coverage of, all points, issues, and concepts contained in the course outline approved by the commissioner during the approved instruction; and
- (9) issue inaccurate course completion certificates.

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

Sec. 5. Minnesota Statutes 2020, section 45.33, is amended by adding a subdivision to read:

Subd. 3. **Exceptions.** In connection with an approved course, coordinators and instructors may:

- (1) display a company or course provider's logo or branding;

(2) establish a trade show or conference booth outside the classroom where the educational content is being delivered that is separate from a registration location used to track or facilitate student attendance;

(3) display the logo or branding associated with a particular entity to thank the entity as an organizational partner of the course provider during a scheduled and approved break in the delivery of course content. The display must be separate from a registration location used to track or facilitate student attendance; and

(4) display a third-party logo, promotion, advertisement, or affiliation with a particular entity as part of a course program or advertising for an approved course. For purposes of this clause, "course program" means digital or paper literature describing the schedule of the events, presenters, duration, or background information of the approved course or courses. A course program may be made available in the classroom or at a registration location used to track or facilitate student attendance.

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

Sec. 6. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision to read:

Subd. 14a. **Evaluation.** "Evaluation" means an estimate of the value of real property, made in accordance with the Interagency Appraisal and Evaluation Guidelines provided to an entity regulated by a federal financial institution's regulatory agency, for use in a real estate-related financial transaction for which an appraisal is not required by federal law.

Sec. 7. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision to read:

Subd. 16a. **Interagency Appraisal and Evaluation Guidelines.** "Interagency Appraisal and Evaluation Guidelines" means the appraisal and evaluation guidelines provided by a federal financial institution's regulatory agency, as provided by Federal Register, volume 75, page 77450 (2010), as amended.

Sec. 8. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to read:

Subd. 3. **Evaluation.** A licensed real estate appraiser may provide an evaluation. When providing an evaluation, a licensed real estate appraiser is not engaged in real estate appraisal activity and is not subject to this chapter. An evaluation by a licensed real estate appraiser under this subdivision must contain a disclosure that the evaluation is not an appraisal.

Sec. 9. Minnesota Statutes 2020, section 82B.195, is amended by adding a subdivision to read:

Subd. 5. **Evaluation.** When providing an evaluation, a licensed real estate appraiser is not required to comply with the Uniform Standards of Professional Appraisal Practice.

Sec. 10. **[82B.25] VALUATION BIAS.**

Subdivision 1. **Definition.** For the purposes of this section, "valuation bias" means to explicitly, implicitly, or structurally select and apply data to an appraisal methodology or technique in a biased manner that harms a protected class, as defined by the Fair Housing Act of 1968, as amended.

Subd. 2. **Education.** Within two years of receiving a license under this chapter and as required by the Appraiser Qualifications Board, a real property appraiser shall provide to the commissioner evidence of satisfactory completion of a continuing education course on the valuation bias of real property.

**EFFECTIVE DATE.** This section is effective September 1, 2021. A real property appraiser who has received a license prior to the effective date of this section must complete the course required by this section by August 31, 2023.

Sec. 11. **APPRAISER INTERNET COURSE REQUIREMENTS.**

Notwithstanding Minnesota Statutes, sections 45.305, subdivision 1a, and 45.306, subdivision 1a, education providers may submit to the commissioner of commerce for approval a classroom course under Minnesota Statutes, section 45.25, subdivision 2a, clause (3), or a distance learning course, as defined in Minnesota Statutes, section 45.25, subdivision 5a, that has not been approved by the International Distance Education Certification Center.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires after the peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19 is terminated or rescinded or December 31, 2021, whichever is later.

Sec. 12. **REPEALER.**

Minnesota Statutes 2020, section 45.306, subdivision 1, is repealed."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1020 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Coleman, Jasinski, Limmer, Nelson, Newman, Osmek, Pratt, Senjem, and Westrom.

Pursuant to Rule 40, Senator Frenz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Dziedzic, Eaton, Eken, Fateh, Isaacson, Klein, Kunesh, Latz, Marty, Newton, Putnam, Torres Ray, and Wiklund.

So the bill, as amended, was passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 352:** A bill for an act relating to motor vehicles; establishing Minnesota agriculture special license plates; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

S.F. No. 352 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 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Jasinski, Limmer, Nelson, Newman, Osmek, Pratt, and Senjem.

Pursuant to Rule 40, Senator Frenz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dziedzic, Eaton, Eken, Fateh, Isaacson, Klein, Kunesh, Marty, Newton, Putnam, Torres Ray, and Wiklund.

Those who voted in the negative were:

Dibble                      Latz

Pursuant to Rule 40, Senator Frenz cast the negative vote on behalf of the following Senators: Dibble and Latz.

So the bill passed and its title was agreed to.

**MEMBERS EXCUSED**

Senator Rosen was excused from the Session of today.

**ADJOURNMENT**

Senator Gazelka moved that the Senate do now adjourn until 11:00 a.m., Monday, April 12, 2021. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate