

FORTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, April 11, 2023

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. John Hierlinger.

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

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 Murphy moved that the Committee Reports at the Desk be now adopted.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 43 and nays 16, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Klein	Miller	Putnam
Boldon	Frentz	Kreun	Mohamed	Rest
Carlson	Gustafson	Kunesh	Morrison	Seeberger
Champion	Hauschild	Kupec	Murphy	Weber
Cwodzinski	Hawj	Latz	Nelson	Westlin
Dahms	Hoffman	Limmer	Oumou Verbeten	Wiklund
Dibble	Housley	Mann	Pappas	Xiong
Dornink	Jasinski	Marty	Pha	
Draheim	Johnson	Maye Quade	Port	

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

Those who voted in the negative were:

Anderson	Farnsworth	Lang	Rasmusson
Bahr	Green	Lieske	Utke
Drazkowski	Gruenhagen	Mathews	Wesenberg
Eichorn	Howe	Rarick	Westrom

The motion prevailed.

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 2438: A bill for an act relating to state government; appropriating money for environment and natural resources; modifying utilities license and permit provisions; modifying commissioner's duties; modifying disposition of certain receipts; modifying and providing for fees; modifying provisions for water and soil conservation; modifying requirements to notify of water pollution; modifying provisions for waste management assistance; modifying certain environmental stewardship and grant programs; providing for environmental justice considerations in certain permitting; prohibiting lead and cadmium in certain consumer products; modifying report requirements; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 84.415, subdivisions 3, 6, 7, by adding a subdivision; 84D.15, subdivision 2; 85.055, subdivision 1; 86B.005, by adding a subdivision; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 6, 7, 8, 10, 10a, 11, 12, 13; 97C.087, subdivision 2; 103B.101, subdivisions 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6; 103D.605, subdivision 5; 103F.505; 103F.511, by adding a subdivision; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.301, subdivision 2; 115.03, subdivision 1; 115.061; 115A.03, by adding a subdivision; 115A.1415; 115A.49; 115A.51; 115A.54, subdivisions 1, 2, 2a; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.06, by adding subdivisions; 116.07, subdivision 6, by adding a subdivision; 168.1295, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103B; 103F; 116; 325E; repealing Minnesota Statutes 2022, sections 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 325E.389; 325E.3891; Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. **POLLUTION CONTROL AGENCY**

Subdivision 1. **Total Appropriation** \$ **310,237,000** \$ **258,986,000**

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>185,420,000</u>	<u>130,816,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
<u>Environmental</u>	<u>105,187,000</u>	<u>107,833,000</u>
<u>Remediation</u>	<u>19,545,000</u>	<u>20,247,000</u>

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

The commissioner must present the agency's biennial budget for fiscal years 2026 and 2027 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. **Environmental Analysis and Outcomes** 108,726,000 106,910,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>89,353,000</u>	<u>87,472,000</u>

<u>Environmental</u>	<u>19,174,000</u>	<u>19,233,000</u>
<u>Remediation</u>	<u>199,000</u>	<u>205,000</u>

(a) \$122,000 the first year and \$125,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$216,000 the first year and \$219,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) \$132,000 the first year and \$137,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$390,000 the first year and \$399,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) \$106,000 the first year and \$109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this

amount, \$68,000 the first year and \$70,000 the second year are transferred to the commissioner of health.

(f) \$128,000 the first year and \$132,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) \$1,492,000 the first year and \$1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$1,226,000 the first year and \$1,248,000 the second year are for transfer to the commissioner of health.

(h) \$61,000 the first year and \$62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) \$72,000 the first year and \$74,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(j) \$500,000 the first year is to facilitate the collaboration and modeling of greenhouse gas impacts, costs, and benefits of strategies to reduce statewide greenhouse gas emissions. This is a onetime appropriation.

(k) \$87,206,000 the first year and \$87,210,000 the second year are to establish and implement a local government water

infrastructure grant program for local governmental units and Tribal governments. Of this amount, \$81,305,000 the first year and \$86,380,000 the second year are for grants to support communities in planning and implementing projects that will allow for adaptation for a changing climate; \$5,000,000 the first year is for a grant to St. Louis County to plan, design, and construct one or more facilities, structures, or other solutions to protect Lake Superior and other waters in the Great Lakes watershed from PFAS contamination from landfill runoff; and \$75,000 the first year is for a grant to the city of Fergus Falls for a two-year water improvement pilot project to address water quality concerns at Lake Alice. The grant may be used to contract for water quality improvement services, testing, necessary infrastructure, training, and maintenance. This is a onetime appropriation and is available until June 30, 2027.

(l) \$715,000 the first year and \$200,000 the second year are from the environmental fund to implement Minnesota Statutes, section 116.065, relating to cumulative impacts. The base is \$200,000 in fiscal year 2026 and beyond.

(m) \$907,000 the first year and \$955,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including *Minnesota's PFAS Blueprint*.

(n) \$1,320,000 the first year and \$1,320,000 the second year are from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties.

(o) \$393,000 the first year is from the general fund to develop and implement the protocol for the state response to fish kills under Minnesota Statutes, section 103G.2165. The commissioner may transfer money under this paragraph to other agencies participating in

developing the protocol. This is a onetime appropriation.

(p) \$500,000 the first year is from the general fund for a report on requirements and options for eliminating or reducing PFAS in firefighter turnout gear. The report must include recommendations for future disposal of turnout gear and protocols for PFAS biomonitoring in firefighters. This is a onetime appropriation.

(q) \$500,000 the first year is from the general fund to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner of the Pollution Control Agency may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed under this paragraph. This is a onetime appropriation and is available until June 30, 2025.

(r) \$1,163,000 the first year and \$1,115,000 the second year are from the environmental fund for implementing Minnesota Statutes, section 116.943, relating to products containing PFAS.

Subd. 3. Industrial 41,953,000 22,908,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>23,664,000</u>	<u>3,964,000</u>
<u>Environmental</u>	<u>16,568,000</u>	<u>17,171,000</u>
<u>Remediation</u>	<u>1,721,000</u>	<u>1,773,000</u>

(a) \$1,621,000 the first year and \$1,670,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor

assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$448,000 the first year and \$457,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, \$145,000 the first year and \$149,000 the second year are transferred to the commissioner of health.

(c) \$4,000 the first year and \$4,000 the second year are from the environmental fund to purchase air emissions monitoring equipment to support compliance and enforcement activities.

(d) \$3,200,000 the first year and \$3,200,000 the second year are to provide air emission reduction grants. Of this amount, \$2,800,000 each year is for grants to reduce air pollution at regulated facilities within environmental justice areas. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(e) \$40,000 the first year and \$40,000 the second year are for air compliance equipment maintenance.

(f) \$19,100,000 the first year and \$300,000 the second year are to support research on innovative technologies to treat difficult-to-manage pollutants and for implementation grants based on this research at taconite facilities. Of this amount the first year, \$2,100,000 is for research and \$16,700,000 is for grants. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(g) \$900,000 the first year is from the general fund for a grant to the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research

Institute to develop and demonstrate technologies that enhance the long-term health and management of Minnesota's water and mineral resources. This appropriation is for continued characterization of Minnesota's iron resources and development of next-generation process technologies for iron products and reduced effluent. This research must be conducted in consultation with the Mineral Coordinating Committee established under Minnesota Statutes, section 93.0015. This is a onetime appropriation.

Subd. 4. Municipal 10,555,000 11,203,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>641,000</u>	<u>647,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
<u>Environmental</u>	<u>9,829,000</u>	<u>10,466,000</u>

(a) \$217,000 the first year and \$223,000 the second year are for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$1,240,000 the first year and \$1,338,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, \$350,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$944,000 the first year and \$1,044,000 the second year are from the environmental fund to address the need for continued increased activity in new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2028.

Subd. 5. Operations 31,218,000 29,923,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>20,750,000</u>	<u>19,359,000</u>
<u>Environmental</u>	<u>7,851,000</u>	<u>8,073,000</u>
<u>Remediation</u>	<u>2,617,000</u>	<u>2,491,000</u>

(a) \$1,154,000 the first year and \$1,124,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$3,000,000 the first year and \$3,109,000 the second year are to support agency information technology services provided at the enterprise and agency level.

(c) \$906,000 the first year and \$919,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data.

(d) \$2,000,000 the first year and \$2,000,000 the second year are to provide technical assistance to Tribal governments. This is a onetime appropriation.

(e) \$15,750,000 the first year and \$14,250,000 the second year are to support modernizing and automating agency environmental programs and data systems and how the agency provides services to regulated parties, partners, and the public. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) \$1,100,000 the first year and \$1,100,000 the second year are from the environmental fund for workforce innovation.

Subd. 6. Remediation 40,242,000 16,022,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>25,000,000</u>	<u>-0-</u>
<u>Environmental</u>	<u>607,000</u>	<u>628,000</u>
<u>Remediation</u>	<u>14,635,000</u>	<u>15,394,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2025.

(b) \$415,000 the first year and \$426,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

(c) \$4,476,000 the first year and \$4,622,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$308,000 the first year and \$316,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

(e) \$25,000,000 the first year is for grants to support planning, designing, and preparing for solutions for public water treatment

systems contaminated with PFAS. The grants are to reimburse local public water supply operators for source investigations, sampling and treating private drinking water wells, and evaluating solutions for treating private drinking water wells. This appropriation is available until June 30, 2027, and is a onetime appropriation.

Subd. 7. Resource Management and Assistance 64,500,000 58,904,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>21,047,000</u>	<u>14,850,000</u>
<u>Environmental</u>	<u>43,453,000</u>	<u>44,054,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, \$300,000 the first year and \$300,000 the second year are from the general fund, and \$700,000 the first year and \$700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2027.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) \$20,450,000 the first year and \$20,450,000 the second year are from the

environmental fund for SCORE block grants to counties.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) \$400,000 the first year and \$400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses.

(g) \$767,000 the first year and \$770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2027.

(h) \$2,797,000 the first year and \$2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) \$318,000 the first year and \$324,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, \$78,000 the first year and \$80,000 the second year are transferred to the commissioner of health.

(j) \$180,000 the first year and \$140,000 the second year are for quantifying climate-related impacts from projects for environmental review. This is a onetime appropriation.

(k) \$1,790,000 the first year and \$70,000 the second year are for accelerating pollution prevention at small businesses. Of this amount, \$1,720,000 the first year is for zero-interest loans to phase out high-polluting equipment, products, and processes and replace with new options. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(l) \$190,000 the first year and \$190,000 the second year are to support the Greenstep Cities program. This is a onetime appropriation.

(m) \$420,000 the first year is to complete a study on the viability of recycling solar energy equipment. This is a onetime appropriation.

(n) \$17,000 the first year is for rulemaking for the capital assistance program. This is a onetime appropriation.

(o) \$650,000 the first year and \$650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(p) \$4,210,000 the first year and \$210,000 the second year are for PFAS reduction grants. Of this amount, \$4,000,000 the first year is for grants to industry and public entities to identify sources of PFAS entering facilities and to develop pollution prevention and reduction initiatives to reduce PFAS entering facilities, prevent releases, and monitor the effectiveness of these projects. This is a onetime appropriation and is available until June 30, 2027.

(q) \$13,940,000 the first year and \$13,940,000 the second year are for a waste prevention and reduction grants and loans program. This is a onetime appropriation and is available until June 30, 2027.

(r) Any unencumbered grant and loan balances in the first year do not cancel but

are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2027.

(s) \$150,000 the second year is from the environmental fund for the lead and cadmium in consumer products prohibition under Minnesota Statutes, section 325E.3892.

Subd. 8. Watershed

10,968,000

11,477,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,111,000</u>	<u>3,111,000</u>
<u>Environmental</u>	<u>7,484,000</u>	<u>7,982,000</u>
<u>Remediation</u>	<u>373,000</u>	<u>384,000</u>

(a) \$2,959,000 the first year and \$2,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$236,000 the first year and \$241,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$125,000 the first year and \$129,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment

and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

Subd. 9. Environmental Quality Board 2,075,000 1,639,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>1,854,000</u>	<u>1,413,000</u>
<u>Environmental</u>	<u>221,000</u>	<u>226,000</u>

\$620,000 the first year and \$140,000 the second year are to develop a Minnesota-based greenhouse gas sector and source-specific guidance, including climate information, a greenhouse gas calculator, and technical assistance for users. This is a onetime appropriation.

Subd. 10. Transfers

(a) The commissioner must transfer up to \$24,000,000 the first year and each fiscal year thereafter from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

(b) By June 30, 2024, the commissioner of management and budget must transfer \$12,000,000 from the general fund to the metropolitan landfill contingency action trust account in the remediation fund.

Sec. 3. NATURAL RESOURCES

Subdivision 1. Total Appropriation **\$ 517,592,000 \$ 389,535,000**

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>274,808,000</u>	<u>149,840,000</u>
<u>Natural Resources</u>	<u>115,396,000</u>	<u>114,516,000</u>
<u>Game and Fish</u>	<u>126,480,000</u>	<u>124,360,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>
<u>Permanent School</u>	<u>791,000</u>	<u>702,000</u>

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

Subd. 2. Land and Mineral Resources Management 14,983,000 9,328,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>10,083,000</u>	<u>4,428,000</u>
<u>Natural Resources</u>	<u>4,338,000</u>	<u>4,338,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

(a) \$319,000 the first year and \$319,000 the second year are for environmental research relating to mine permitting, of which \$200,000 each year is from the minerals management account in the natural resources fund and \$119,000 each year is from the general fund.

(b) \$3,383,000 the first year and \$3,383,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral-resource opportunities.

(c) \$218,000 the first year and \$218,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) \$338,000 the first year and \$338,000 the second year are from the water management account in the natural resources fund for mining hydrology.

(e) \$1,052,000 the first year and \$242,000 the second year are for modernizing utility

licensing for state lands and public waters. The first year appropriation is available through fiscal year 2026. This is a onetime appropriation.

(f) \$5,388,000 the first year is for costs, including land acquisition, associated with the transfer of state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper Sioux Community. This is a onetime appropriation and is available until June 30, 2027.

(g) \$1,000,000 in fiscal year 2023 is from the general fund to address safety concerns at the drill core library. This is a onetime appropriation and is available until June 30, 2026.

Subd. 3. Ecological and Water Resources 45,315,000 44,413,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>25,949,000</u>	<u>26,258,000</u>
<u>Natural Resources</u>	<u>12,431,000</u>	<u>12,431,000</u>
<u>Game and Fish</u>	<u>6,935,000</u>	<u>5,724,000</u>

(a) \$4,222,000 the first year and \$4,222,000 the second year are from the invasive species account in the natural resources fund and \$2,831,000 the first year and \$2,831,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) \$5,556,000 the first year and \$5,556,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi

Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

(d) \$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi River.

(e) \$300,000 the first year and \$300,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement. The base for fiscal year 2026 and later is \$264,000.

(f) \$2,498,000 the first year and \$2,498,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) \$1,150,000 the first year and \$1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, \$28,000 the first year and \$28,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$6,000,000 the first year and \$6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation

districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) \$410,000 the first year and \$410,000 the second year are from the heritage enhancement account in the game and fish fund and \$500,000 the first year and \$500,000 the second year are from the general fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

(k) \$134,000 the first year and \$134,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation.

(l) \$998,000 the first year and \$568,000 the second year are for protecting and restoring carbon storage in state-administered peatlands. This is a onetime appropriation and is available until June 30, 2028.

(m) \$200,000 the first year is from the general fund to the Board of Regents of the University of Minnesota for the University of Minnesota Water Council to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years. The 50-year clean water plan must: (1) provide a literature-based assessment of the current status and trends regarding the quality and quantity of all Minnesota waters, both surface and subsurface; (2) identify gaps in the data or understanding and provide recommended action steps to address gaps; (3) identify existing and potential future threats to Minnesota's waters; and (4) propose a road map of scenarios and policy recommendations to allow the state to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years. The scope of work must outline the steps and resources necessary to develop the plan, including but not limited to the data sets that are required and how the University of Minnesota will obtain access; the suite of proposed analysis methods; the roles and responsibilities of project leaders, key personnel, and stakeholders; the project timeline with milestones; and a budget with expected costs for tasks and milestones. By December 1, 2023, the Board of Regents of the University of Minnesota must submit the scope of work to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. This is a onetime appropriation.

(n) \$943,000 the first year is from the heritage enhancement account in the game and fish fund to examine the effects of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This is a onetime appropriation and is available until June 30, 2027.

(o) \$395,000 the first year is to expand invasive carp surveys and carp removal from the Mississippi River, measure the efficacy of invasive carp management practices, and pay for related staffing costs. This is a onetime appropriation.

(p) \$325,000 the first year is for a grant to the Board of Regents of the University of Minnesota to study the Mississippi River Lock and Dam 5 spillway gate to optimize management to reduce invasive carp passage. This is a onetime appropriation.

(q) \$268,000 the first year is from the heritage enhancement account in the game and fish fund for native fish conservation and classification. By August 1, 2023, a written update on the progress of identifying necessary protection and conservation measures for native fish currently defined as rough fish under Minnesota Statutes, section 97A.015, subdivision 43, including buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead, must be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. By December 15, 2023, a written report with recommendations for statutory and rule changes to provide necessary protection and conservation measures and research needs for native fish currently designated as rough fish must be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. The report must include recommendations for amending Minnesota Statutes to separately classify fish that are native to Minnesota and that are currently designated as rough fish and invasive fish that are currently designated as rough fish. For the purposes of this paragraph, native fish include but are not limited to bowfin (*Amia calva*), bigmouth buffalo (*Ictiobus*

cyprinellus), smallmouth buffalo (*Ictiobus bubalus*), burbot (*Lota lota*), longnose gar (*Lepisosteus osseus*), shortnose gar (*Lepisosteus platostomus*), goldeye (*Hiodon alosoides*), mooneye (*Hiodon tergisus*), white sucker (*Catostomus commersonii*), and invasive fish include but are not limited to bighead carp (*Hypophthalmichthys nobilis*), grass carp (*Ctenopharyngodon idella*), and silver carp (*Hypophthalmichthys molitrix*). This is a onetime appropriation.

(r) \$40,000 the first year is for a grant to the Stearns Coalition of Lake Associations to manage aquatic invasive species. The unencumbered balance of the general fund appropriation in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 3, paragraph (a), for the grant to the Stearns Coalition of Lake Associations, estimated to be \$40,000, is canceled no later than June 29, 2023.

(s) The total general fund base budget for the ecological and water resources division for fiscal year 2026 and later is \$25,120,000.

Subd. 4. Forest Management

70,325,000

71,667,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>52,672,000</u>	<u>53,989,000</u>
<u>Natural Resources</u>	<u>16,161,000</u>	<u>16,161,000</u>
<u>Game and Fish</u>	<u>1,492,000</u>	<u>1,517,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction

over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$15,386,000 the first year and \$15,386,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,492,000 the first year and \$1,517,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS), forest habitat, and invasive species management.

(d) \$906,000 the first year and \$926,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$1,143,000 the first year and \$1,143,000 the second year are for the Next Generation Core Forestry data system. Of this appropriation, \$868,000 each year is from the general fund and \$275,000 each year is from the forest management investment account in the natural resources fund.

(f) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(g) \$500,000 the first year and \$500,000 the second year are for forest road maintenance on county forest roads.

(h) \$2,086,000 the first year and \$2,086,000 the second year are to support forest management, cost-share assistance, and inventory on private woodlands. This is a onetime appropriation.

(i) \$400,000 the first year and \$400,000 the second year are to accelerate tree seed collection to support a growing demand for tree planting on public and private lands. This is a onetime appropriation.

(j) \$8,900,000 the first year and \$8,900,000 the second year are for grants to local and Tribal governments and nonprofit organizations to enhance community forest ecosystem health and sustainability under Minnesota Statutes, section 88.82, the Minnesota ReLeaf program. This appropriation is available until June 30, 2027. Money appropriated for grants under this paragraph may be used to pay reasonable costs incurred by the commissioner of natural resources to administer the grants. The base is \$400,000 beginning in fiscal year 2026.

(k) \$1,500,000 the first year and \$1,500,000 the second year are for forest stand improvement and to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2. This is a onetime appropriation.

Subd. 5. Parks and Trails Management

102,687,000

105,420,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>32,794,000</u>	<u>36,507,000</u>
<u>Natural Resources</u>	<u>67,593,000</u>	<u>66,613,000</u>
<u>Game and Fish</u>	<u>2,300,000</u>	<u>2,300,000</u>

(a) \$8,985,000 the first year and \$8,985,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) \$20,828,000 the first year and \$20,828,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) \$1,140,000 the first year and \$1,140,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$2,435,000 the first year and \$2,435,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,960,000 each year is from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$2,250,000 the first year and \$2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered

balance does not cancel at the end of the first year and is available for the second year.

(g) \$250,000 the first year and \$250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) \$250,000 the first year and \$250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) \$500,000 the first year and \$750,000 the second year are from the natural resources fund for parks and trails of regional significance outside of the seven-county metropolitan area under Minnesota Statutes, section 85.535, based on the recommendations from the Greater Minnesota Regional Parks and Trails Commission. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (i).

(j) \$300,000 the first year and \$350,000 the second year are from the natural resources fund for projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (j).

(k) \$750,000 the first year is from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of trails within the Voyageur Country ATV trail system. This is a onetime appropriation and is available until June 30,

2026. This appropriation may be used as a local match to a 2023 state bonding award.

(l) \$700,000 the first year is from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of a new trail within the Prospector trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a 2023 state bonding award.

(m) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to Aitkin County, in cooperation with the Northwoods Regional ATV Trail Alliance, to maintain and repair the Northwoods Regional ATV trail system. This is a onetime appropriation and is available until June 30, 2026.

(n) The total general fund base budget for the parks and trails division for fiscal year 2026 and later is \$35,507,000.

Subd. 6. Fish and Wildlife Management 96,212,000 90,186,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
General	<u>11,143,000</u>	<u>4,376,000</u>
Natural Resources	<u>1,982,000</u>	<u>1,982,000</u>
Game and Fish	<u>83,087,000</u>	<u>83,828,000</u>

(a) \$11,458,000 the first year and \$11,658,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$982,000 the first year and \$982,000 the second year are from the general fund and \$1,675,000 the first year and \$1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. The commissioner and the Board of Animal Health must each submit annual reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture. The base for the general fund portion of this appropriation in fiscal year 2026 and later is \$282,000.

(c) \$8,546,000 the first year and \$8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(d) \$134,000 the first year and \$134,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation.

(e) \$5,134,000 the first year is for enhancing grasslands and restoring wetlands on state-owned wildlife management areas to sequester more carbon and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2027.

(f) \$500,000 the first year and \$500,000 the second year are from the general fund and \$500,000 the first year and \$500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976, and for grant administration. The general fund amount is onetime.

(g) \$400,000 the first year and \$400,000 the second year are for the walk-in access

program under Minnesota Statutes, section 97A.126.

(h) \$1,633,000 the first year is for a grant to the Board of Regents of the University of Minnesota for chronic wasting disease contingency plans developed by the Center for Infectious Disease Research and Policy. This is a onetime appropriation.

(i) Notwithstanding Minnesota Statutes, section 297A.94, \$300,000 the first year and \$300,000 the second year are from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2026. This appropriation must be allocated as follows: (1) \$200,000 each fiscal year is for grants of \$25,000 or less; and (2) \$100,000 each fiscal year is for grants in excess of \$25,000.

Subd. 7. Enforcement

63,472,000

63,028,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>18,522,000</u>	<u>19,653,000</u>
<u>Natural Resources</u>	<u>12,511,000</u>	<u>12,611,000</u>
<u>Game and Fish</u>	<u>32,322,000</u>	<u>30,647,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>

(a) \$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$2,080,000 the first year and \$1,892,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,442,000 the first year and \$1,442,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account, \$11,000 each year is from the off-highway motorcycle account, and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money

received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administering the grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$2,250,000 the first year and \$2,250,000 the second year are appropriated for inspections, investigations, and enforcement activities taken in conjunction with the Board of Animal Health for the white-tailed deer farm program and for statewide response and management of chronic wasting disease.

(h) \$3,050,000 the first year is for modernizing the enforcement aviation fleet. This appropriation is available until June 30, 2027.

(i) \$360,000 the first year and \$360,000 the second year are for training department enforcement officers and for maintaining and storing equipment for conservation officer public safety responses. This is a onetime appropriation.

(j) The commissioner of natural resources shall recruit and hire at least 2.5 full-time equivalent positions to engage in outreach to members of Southeast Asian communities in Minnesota about hunting and fishing opportunities and regulations in this state. No more than one full-time equivalent position may be a conservation officer and all positions filled with this appropriation must be fluent in the Hmong or Karen language.

Subd. 8. Operations Support

2,434,000

1,408,000

(a) \$1,684,000 the first year and \$1,408,000 second year are for information technology security and modernization. This is a onetime appropriation.

(b) \$750,000 the first year is for legal costs. The unencumbered amount of the general fund appropriation in Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 8, for legal costs, estimated to be \$750,000, is canceled no later than June 29, 2023.

Subd. 9. Pass Through Funds

4,164,000

4,085,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,211,000</u>	<u>3,221,000</u>
<u>Natural Resources</u>	<u>380,000</u>	<u>380,000</u>
<u>Permanent School</u>	<u>573,000</u>	<u>484,000</u>

(a) \$380,000 the first year and \$380,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$211,000 the first year and \$211,000 the second year are for the Office of School Trust Lands.

(c) \$250,000 the first year and \$150,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for transaction and project management costs for divesting of school trust lands within Boundary Waters Canoe Area Wilderness.

(d) \$323,000 the first year and \$334,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for the Office of School Trust Lands.

(e) \$3,000,000 the first year and \$3,000,000 the second year are for proportional payments

to Tribes receiving payments under Minnesota Statutes, section 97A.165.

Subd. 10. Get Out MORE (Modernizing Outdoor Recreation Experiences)

118,000,000

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\$118,000,000 the first year is for modernizing Minnesota's state-managed outdoor recreation experiences. Of this amount:

(1) \$28,000,000 is for enhancing access and welcoming new users to public lands and outdoor recreation facilities. Of this amount, \$400,000 is for a grant to the city of Silver Bay for construction of the Silver Bay Trailhead, and \$500,000 is for a grant to the city of Chisolm for trail development, maintenance, and related amenities at Redhead Mountain Bike Park;

(2) \$5,000,000 is for modernizing camping and related infrastructure;

(3) \$35,000,000 is for modernizing boating access. Of this amount, \$1,900,000 is for the construction of the Crane Lake Voyageurs National Park Visitor Center and Campground and for improvements and maintenance for the state-operated boat ramp at Crane Lake;

(4) \$35,000,000 is for modernizing fish hatcheries and fishing infrastructure; and

(5) \$15,000,000 is for restoring streams and modernizing water-related infrastructure.

The commissioner may reallocate across these purposes based on project readiness and priority. This is a onetime appropriation and is available until June 30, 2029.

Subd. 11. Transfer

By June 30, 2024, the commissioner of management and budget must transfer \$58,000 from the water recreation account in the natural resources fund to the driver

services operating account under Minnesota Statutes, section 299A.705.

EFFECTIVE DATE. Subdivisions 2, 3, and 8 are effective the day following final enactment.

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

\$ 58,766,000 \$ 58,954,000

(a) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) \$761,000 the first year and \$761,000 the second year are to implement, enforce, and provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(c) \$1,560,000 the first year and \$1,560,000 the second year are for the following:

(1) \$1,460,000 each year is for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) \$100,000 each year is for county cooperative weed management programs and to restore native plants at selected invasive species management sites.

(d) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13.

(e) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(f) \$190,000 the first year and \$190,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management. The base for fiscal year 2026 and later is \$140,000.

(g) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(h) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(i) \$2,000,000 the first year and \$2,000,000 the second year are for the lawns to legumes program under Minnesota Statutes, section 103B.104. The board may enter into agreements with local governments, Metro Blooms, and other organizations to support this effort. This is a onetime appropriation and is available until June 30, 2029.

(j) \$500,000 the first year and \$500,000 the second year are for the habitat-friendly utilities program under Minnesota Statutes, section 103B.105. This is a onetime appropriation and is available until June 30, 2029.

(k) \$2,000,000 the first year and \$2,000,000 the second year are for the habitat enhancement landscape program under Minnesota Statutes, section 103B.106. This is a onetime appropriation and is available until June 30, 2029.

(l) \$13,380,000 the first year and \$13,380,000 the second year are for soil health activities to achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits consistent with Minnesota Statutes, section 103F.06. This is a onetime appropriation and is available until June 30, 2029. The board may use grants to local governments, including soil and water conservation districts, and agreements with the United States Department of Agriculture; the University of Minnesota, Office for Soil Health; AgCentric, Minnesota State Northern Center of Excellence; and other practitioners and partners to accomplish this work.

(m) \$8,000,000 the first year and \$8,000,000 the second year are for conservation easements and to restore and enhance grasslands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$422,500 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029.

(n) \$7,500,000 the first year and \$7,500,000 the second year are to acquire conservation easements and to restore and enhance peatlands and adjacent lands consistent with

Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$299,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029.

(o) \$8,500,000 the first year and \$8,500,000 the second year are for water quality and storage practices and projects to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts consistent with Minnesota Statutes, section 103F.05. This is a onetime appropriation and is available until June 30, 2029.

(p) \$4,673,000 the first year and \$4,673,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The base for fiscal year 2026 and later is \$3,423,000.

(q) \$129,000 the first year and \$136,000 the second year are to accomplish the objectives of Minnesota Statutes, section 10.65, and related Tribal government coordination. The base for fiscal year 2026 and each year thereafter is \$144,000.

(r) The board may shift money in this section and may adjust the technical and administrative assistance portion of the funds

to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(s) Returned grants and payments are available for two years after they are returned or regranting, whichever is later. Funds must be regranting consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(t) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. **METROPOLITAN COUNCIL** **\$ 28,490,000 \$ 10,990,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>20,040,000</u>	<u>2,540,000</u>
<u>Natural Resources</u>	<u>8,450,000</u>	<u>8,450,000</u>

(a) \$7,540,000 the first year and \$2,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) \$8,450,000 the first year and \$8,450,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

(c) \$2,500,000 the first year is for developing a decision-making support tool set to help local partners quantify the risks of a changing climate and prioritize strategies that mitigate those risks. This is a onetime appropriation and is available until June 30, 2027.

(d) \$10,000,000 the first year is to modernize regional parks and trails. This is a onetime appropriation and is available until June 30, 2027.

Sec. 6. CONSERVATION CORPS MINNESOTA \$ 945,000 \$ 945,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	455,000	455,000
<u>Natural Resources</u>	490,000	490,000

Conservation Corps Minnesota may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. ZOOLOGICAL BOARD \$ 12,807,000 \$ 11,957,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	12,617,000	11,767,000
<u>Natural Resources</u>	190,000	190,000

(a) \$190,000 the first year and \$190,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$850,000 the first year is to improve safety and security at the Minnesota Zoo. This is a onetime appropriation.

Sec. 8. SCIENCE MUSEUM \$ 1,200,000 \$ 1,260,000

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES MODIFICATIONS

Section 1. Minnesota Statutes 2022, section 35.155, subdivision 1, is amended to read:

Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed Cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify the commissioner of natural

resources of the escape of farmed Cervidae if the farmed Cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed Cervidae that have left their enclosures if the person capturing the farmed Cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the commissioner of natural resources may destroy the escaped farmed Cervidae. The commissioner of natural resources must allow the owner to attempt to capture the escaped farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not captured by 24 hours after escape may be destroyed.

(d) A hunter licensed by the commissioner of natural resources under chapter 97A may kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner for the loss of the animal.

(e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of natural resources must be tested for chronic wasting disease.

(f) The owner is responsible for proper disposal, as determined by the board, of farmed Cervidae that are killed or destroyed under this subdivision and test positive for chronic wasting disease.

(g) An owner is liable for any additional costs associated with escaped farmed Cervidae that are infected with chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

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

Sec. 2. Minnesota Statutes 2022, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae ~~or~~ entry into the premises by free-roaming Cervidae, and physical contact between farmed Cervidae and free-roaming Cervidae. The Board of Animal Health may determine whether the construction and maintenance of fencing is adequate under this subdivision and may compel corrective action where it determines fencing is inadequate. After July 1, 2019, All new fencing installed and all fencing used to repair deficiencies must be high tensile. By December 1, 2019, All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must immediately repair the deficiency. All other deficiencies must be repaired within a reasonable time, as determined by the Board of Animal Health, not to exceed 45 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

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

Sec. 3. Minnesota Statutes 2022, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) A person whose registration is revoked by the board is ineligible for future registration under this section unless the board determines that the person has undertaken measures that make future escapes extremely unlikely.

(c) The board must not allow new registrations under this section for possessing white-tailed deer. A valid registration may be sold or transferred only once under this paragraph. Before the board approves a sale or transfer under this paragraph, the board must verify that the herd is free from chronic wasting disease.

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

Sec. 4. Minnesota Statutes 2022, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health. A person must not move farmed white-tailed deer from a herd that tests positive for chronic wasting disease from any premises to another location.

(c) All animals from farmed Cervidae herds that are over ~~12~~ six months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) allow and cooperate with inspections of the premises as determined by the Board of Animal Health and Department of Natural Resources conservation officers and wildlife managers;

~~(1) (2)~~ (2) depopulate the premises of Cervidae after the federal indemnification process has been completed or, if an indemnification application is not submitted, within a reasonable time determined by the board in consultation with the commissioner of natural resources 30 days;

~~(2) (3)~~ (3) maintain the fencing required under subdivision 4 on the premises for five ten years after the date of detection; and

~~(3) (4)~~ (4) post the fencing on the premises with biohazard signs as directed by the board;

(5) not raise farmed Cervidae on the premises for at least ten years;

(6) before signing an agreement to sell or transfer the property, disclose in writing to the buyer or transferee the date of depopulation and the requirements incumbent upon the premises and the buyer or transferee under this paragraph; and

(7) record with the county recorder or registrar of titles as appropriate, in the county where the premises is located, a notice, in the form required by the board that meets the recording requirements of sections 507.093 and 507.24, and that includes the nearest address and the legal description of the premises, the date of detection, the date of depopulation, the landowner requirements under this paragraph, and any other information required by the board. The legal description must be the legal description of record with the county recorder or registrar of titles and must not otherwise be the real estate tax statement legal description for the premises. The notice expires and has no effect ten years after the date of detection stated in the notice. An expired notice must be omitted by the registrar of titles from future certificates of title.

(e) An owner of farmed Cervidae that test positive for chronic wasting disease is responsible for proper disposal of the animals, as determined by the board.

Sec. 5. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 11a. **Liability.** (a) A herd owner is liable in a civil action to a person injured by the owner's sale or unlawful disposal of farmed Cervidae if the herd owner knew or reasonably should have known that the farmed Cervidae were infected with or exposed to chronic wasting disease. Action may be brought in a county where the farmed Cervidae are sold, delivered, or unlawfully disposed.

(b) A herd owner is liable to the state for costs associated with the owner's unlawful disposal of farmed Cervidae infected with or exposed to chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

Sec. 6. Minnesota Statutes 2022, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae or Cervidae semen into the state from a herd that is:

(1) infected with or has been exposed to chronic wasting disease; or

(2) from a ~~known~~ state or province where chronic wasting disease ~~endemic area, as determined by the board~~ is present in farmed or wild Cervidae populations.

(b) A person may import live Cervidae or Cervidae semen into the state only from a herd that:

(1) is not ~~in a known~~ located in a state or province where chronic wasting disease ~~endemic area, as determined by the board~~, is present in farmed or wild Cervidae populations; and ~~the herd~~

(2) has been subject to a ~~state or provincial approved~~ state- or provincial-approved chronic wasting disease monitoring program for at least three years.

(c) Cervidae or Cervidae semen imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) Nothing in this section prohibits a person from importing Cervidae semen from a herd certified as low-risk for chronic wasting disease under the chronic wasting disease voluntary herd certification program operated by the United States Department of Agriculture's Animal and Plant Health Inspection Service.

(e) Nothing in this subdivision shall be construed to prevent:

(1) interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums; or

(2) importation of orphaned wild Cervidae for placement at an institution accredited by the Association of Zoos and Aquariums when approved on a case-by-case basis by the commissioner of natural resources.

Sec. 7. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 15. **Cooperation with Board of Animal Health.** The commissioner of natural resources may contract with the Board of Animal Health to administer some or all of sections 35.153 to 35.156 for farmed white-tailed deer.

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

Sec. 8. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 3. **Consultation required.** The Board of Animal Health and the commissioner of natural resources must consult the Minnesota Center for Prion Research and Outreach at the University of Minnesota and incorporate peer-reviewed scientific information when administering and enforcing section 35.155 and associated rules pertaining to chronic wasting disease and farmed Cervidae.

Sec. 9. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 4. **Notice required.** The Board of Animal Health must promptly notify affected local units of government and Tribal governments when an animal in a farmed Cervidae herd tests positive for chronic wasting disease.

Sec. 10. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 5. **Annual testing required.** (a) Once the United States Department of Agriculture has determined that the RT-QuIC test is capable of accurately detecting chronic wasting disease in white-tailed deer, the Board of Animal Health must have each farmed white-tailed deer possessed by a person registered under section 35.155 annually tested for chronic wasting disease using a real-time quaking-induced conversion (RT-QuIC) test offered by a public or private diagnostic laboratory. Live-animal testing must consist of an ear biopsy, the collection of which must be managed by the Board of Animal Health, with each laboratory reporting RT-QuIC results to both the commissioner of natural resources and the Board of Animal Health in the form required by both agencies. If a white-tailed deer tests positive, the owner must have the animal tested a second time using an RT-QuIC test performed on both a second ear biopsy and a tonsil or rectal biopsy.

(b) If a farmed white-tailed deer tests positive using an RT-QuIC test performed on both a second ear biopsy and a tonsil or rectal biopsy, the owner must have the animal destroyed and tested for chronic wasting disease using a postmortem test approved by the Board of Animal Health.

(c) If a farmed white-tailed deer tests positive for chronic wasting disease under paragraph (b), the owner must depopulate the premises of farmed Cervidae as required under section 35.155, subdivision 11.

Sec. 11. Minnesota Statutes 2022, section 84.415, subdivision 3, is amended to read:

Subd. 3. **Application, form.** The application for license or permit ~~shall be in quadruplicate, and shall~~ must include with each copy a legal description of the lands or waters affected, a metes and bounds description of the required right-of-way, a map showing said features, and a detailed design of any structures necessary, or in lieu thereof shall be in such other form, and include such other descriptions, maps or designs, as the commissioner may require. The commissioner may at any time order such changes or modifications respecting construction or maintenance of structures or other conditions of the license or permit as the commissioner deems necessary to protect the public health and safety.

Sec. 12. [86B.30] DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 86B.30 to 86B.341.

Subd. 2. **Accompanying operator.** "Accompanying operator" means a person 21 years of age or older who:

- (1) is in a personal watercraft or other type of motorboat;
- (2) is within immediate reach of the controls of the motor; and
- (3) possesses a valid operator's permit or is an exempt operator.

Subd. 3. **Adult operator.** "Adult operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who was:

- (1) effective July 1, 2025, born on or after July 1, 2004;
- (2) effective July 1, 2026, born on or after July 1, 2000;
- (3) effective July 1, 2027, born on or after July 1, 1996; and
- (4) effective July 1, 2028, born on or after July 1, 1987.

Subd. 4. **Exempt operator.** "Exempt operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who:

(1) possesses a valid license to operate a motorboat issued for maritime personnel by the United States Coast Guard under Code of Federal Regulations, title 46, part 10, or a marine certificate issued by the Canadian government;

(2) is not a resident of the state, is temporarily using the waters of the state for a period not to exceed 60 days, and:

(i) meets any applicable requirements of the state or country of residency; or

(ii) possesses a Canadian pleasure craft operator's card;

(3) is operating a motorboat under a dealer's license according to section 86B.405; or

(4) is operating a motorboat during an emergency.

Subd. 5. **Motorboat rental business.** "Motorboat rental business" means a person engaged in the business of renting or leasing motorboats, including personal watercraft, for a period not exceeding 30 days. Motorboat rental business includes a person's agents and employees.

Subd. 6. **Young operator.** "Young operator" means a motorboat operator, including a personal watercraft operator, younger than 12 years of age.

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

Sec. 13. **[86B.302] WATERCRAFT OPERATOR'S PERMIT.**

Subdivision 1. **Generally.** The commissioner must issue a watercraft operator's permit to a person 12 years of age or older who successfully completes a water safety course and written test according to section 86B.304, paragraph (a), or who provides proof of completing a program subject to a reciprocity agreement or certified by the commissioner as substantially similar.

Subd. 2. **Issuing permit to certain young operators.** The commissioner may issue a permit under this section to a person who is at least 11 years of age, but the permit is not valid until the person becomes an adult operator.

Subd. 3. **Personal possession required.** (a) A person who is required to have a watercraft operator's permit must have in personal possession:

(1) a valid watercraft operator's permit;

(2) a driver's license that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20; or

(3) an identification card that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20.

(b) A person who is required to have a watercraft operator's permit must display one of the documents described in paragraph (a) to a conservation officer or peace officer upon request.

Subd. 4. **Using electronic device to display proof of permit.** If a person uses an electronic device to display a document described in subdivision 3 to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) this does not constitute consent for the officer to access other contents on the device.

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

Sec. 14. **[86B.303] OPERATING PERSONAL WATERCRAFT AND OTHER MOTORBOATS.**

Subdivision 1. **Adult operators.** An adult operator may not operate a motorboat, including a personal watercraft, unless:

(1) the adult operator possesses a valid watercraft operator's permit;

(2) the adult operator is an exempt operator; or

(3) an accompanying operator is in the motorboat.

Subd. 2. **Young operators.** (a) A young operator may not operate a personal watercraft or any motorboat powered by a motor with a factory rating of more than 75 horsepower.

(b) A young operator may operate a motorboat that is not a personal watercraft and that is powered by a motor with a factory rating of less than 75 horsepower if an accompanying operator is in the motorboat.

Subd. 3. **Accompanying operators.** For purposes of this section and section 169A.20, an accompanying operator, as well as the actual operator, is operating and is in physical control of a motorboat.

Subd. 4. **Owners may not allow unlawful use.** An owner or other person in lawful control of a motorboat may not allow the motorboat to be operated contrary to this section.

Subd. 5. **Exception for low-powered motorboats.** Notwithstanding the other provisions of this section, a person of any age may operate a motorboat that is not a personal watercraft that is powered by a motor with a factory rating of 25 horsepower or less without possessing a valid watercraft operator's permit and without an accompanying operator in the motorboat.

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

Sec. 15. **[86B.304] WATERCRAFT SAFETY PROGRAM.**

(a) The commissioner must establish a water safety course and testing program for personal watercraft and watercraft operators and must prescribe a written test as part of the course. The course must be approved by the National Association of State Boating Law Administrators and must be available online. The commissioner may allow designated water safety courses administered by third parties to meet the requirements of this paragraph and may enter into reciprocity agreements or otherwise certify boat safety education programs from other states that are substantially similar to in-state programs. The commissioner must establish a working group of interested parties to develop course content and implementation. The course must include content on best management practices for mitigating aquatic invasive species, reducing conflicts among user groups, and limiting the ecological impacts of watercraft.

(b) The commissioner must create or designate a short boater safety examination to be administered by motorboat rental businesses, as required by section 86B.306, subdivision 3. The examination developed under this paragraph must be one that can be administered electronically or on paper, at the option of the motorboat rental business administering the examination.

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

Sec. 16. **[86B.306] MOTORBOAT RENTAL BUSINESSES.**

Subdivision 1. **Requirements.** A motorboat rental business must not rent or lease a motorboat, including a personal watercraft, to any person for operation on waters of this state unless the renter or lessee:

- (1) has a valid watercraft operator's permit or is an exempt operator; and
- (2) is 18 years of age or older.

Subd. 2. **Authorized operators.** A motorboat rental business must list on each motorboat rental or lease agreement the name and age of each operator who is authorized to operate the motorboat or personal watercraft. The renter or lessee of the motorboat must ensure that only listed authorized operators operate the motorboat or personal watercraft.

Subd. 3. **Summary of boating regulations; examination.** (a) A motorboat rental business must provide each authorized operator a summary of the statutes and rules governing operation of motorboats and personal watercraft in the state and instructions for safe operation.

(b) Each authorized operator must review the summary provided under this subdivision and must take a short boater safety examination in a form approved by the commissioner before the motorboat or personal watercraft leaves the motorboat rental business premises, unless the authorized operator has taken the examination during the previous 60 days.

Subd. 4. **Safety equipment for personal watercraft.** A motorboat rental business must provide to all persons who rent a personal watercraft, at no additional cost, a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment.

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

Sec. 17. Minnesota Statutes 2022, section 86B.313, subdivision 4, is amended to read:

Subd. 4. ~~Dealers and rental operations.~~ (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

- (1) the laws and rules governing personal watercraft; and
- (2) the safe operation of personal watercraft.

(b) ~~A person who offers personal watercraft for rent:~~

(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;

(2) shall provide a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and

(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.

(e) Each dealer of personal watercraft or person offering personal watercraft for rent shall have the person who purchases or rents a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer or person offering personal watercraft for rent for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.

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

Sec. 18. Minnesota Statutes 2022, section 97A.465, subdivision 3, is amended to read:

Subd. 3. **Nonresidents stationed in state; spouses.** (a) The commissioner may issue a resident license to take fish or game to a person in the armed forces of the United States that is stationed in the state. This ~~subdivision~~ paragraph does not apply to the taking of moose or elk.

(b) The commissioner may issue a resident angling license to a person in the armed forces of the United States that is stationed in the state and to the spouse of a person in the armed forces of the United States that is stationed in the state.

Sec. 19. Minnesota Statutes 2022, section 97A.465, subdivision 8, is amended to read:

Subd. 8. **Nonresident active members of National Guard; spouses.** (a) A nonresident that is ~~an active~~ a member of the state's National Guard may obtain a resident license to take fish or game. This ~~subdivision~~ paragraph does not apply to the taking of moose or elk.

(b) A nonresident that is a member of the National Guard or that is the spouse of a member of the National Guard may obtain a resident license to take fish.

(c) For purposes of this section, the term "member of the National Guard" means an active member of the state's National Guard or an active member of another state's National Guard who is temporarily stationed in this state.

Sec. 20. Minnesota Statutes 2022, section 97A.475, subdivision 41, is amended to read:

Subd. 41. **Turtle licenses license.** (a) The fee for a turtle seller's license to sell turtles and to take, transport, buy, and possess turtles for sale is \$250.

(b) The fee for a recreational turtle license to take, transport, and possess turtles for personal use is ~~\$25~~ \$5.

~~(c) The fee for a turtle seller's apprentice license is \$100.~~

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

Sec. 21. Minnesota Statutes 2022, section 97C.605, subdivision 1, is amended to read:

Subdivision 1. ~~Resident angling license required~~ **Taking turtles; requirements.** ~~In addition to any other license required in this section; (a) A person may not take, possess, or transport turtles without a resident angling license, except as provided in subdivision 2e and a recreational turtle license.~~

(b) Turtles taken from the wild are for personal use only and may not be resold.

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

Sec. 22. Minnesota Statutes 2022, section 97C.605, subdivision 2c, is amended to read:

Subd. 2c. **License exemptions.** ~~(a) A person does not need a turtle seller's license or an angling license~~ the licenses specified under subdivision 1:

~~(1) when buying turtles for resale at a retail outlet;~~

(1) when buying turtles from a licensed aquatic farm or licensed private fish hatchery for resale at a retail outlet or restaurant;

(2) when buying a turtle at a retail outlet;

~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export out of state. Shipping documents provided by the turtle seller must accompany each shipment exported out of state by a nonresident. Shipping documents must include: name, address, city, state, and zip code of the buyer; number of each species of turtle; and name and license number of the turtle seller; or~~

~~(4) (3) to take, possess, and rent or sell up to 25 turtles greater than four inches in length for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person is a resident under age 18. The person is responsible for the well-being of the turtles; or~~

(4) when possessing turtles if under 16 years of age. Notwithstanding any other law to the contrary, a person under the age of 16 may possess, without a license, up to three snapping or western painted turtles, provided the turtles are possessed for personal use and are within the applicable length and width requirements.

(b) A person with an aquatic farm license with a turtle endorsement or a private fish hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate turtles and turtle eggs without the licenses specified under subdivision 1.

(c) Turtles possessed under this subdivision may not be released back into the wild.

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

Sec. 23. Minnesota Statutes 2022, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** (a) A person may not take turtles by using:

- (1) explosives, drugs, poisons, lime, and other harmful substances;
- (2) traps, ~~except as provided in paragraph (b) and rules adopted under this section;~~
- (3) nets other than anglers' fish landing nets;
- (4) commercial equipment, ~~except as provided in rules adopted under this section;~~
- (5) firearms and ammunition;
- (6) bow and arrow or crossbow; or
- (7) spears, harpoons, or any other implements that impale turtles.

~~(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:~~

~~(1) has one or more openings above the water surface that measure at least ten inches by four inches; and~~

~~(2) has a mesh size of not less than one-half inch, bar measure.~~

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

Sec. 24. Minnesota Statutes 2022, section 97C.611, is amended to read:

97C.611 TURTLE SPECIES; LIMITS.

Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping turtles of the species *Chelydra serpentina* ~~without a turtle seller's license~~. Until new rules are adopted under section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta* ~~without a turtle seller's license~~. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, ~~clause (4) paragraph (a).~~

Subd. 3. **Spiny softshell.** ~~A person may not possess spiny softshell turtles of the species *Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery license with a turtle endorsement.~~

Subd. 4. **Other species.** A person may not possess any other species of turtle ~~without~~ except with an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c.

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

Sec. 25. Minnesota Statutes 2022, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** (a) In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning and implementation activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, contracts and easements, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; and

(7) report assessments to the governor and the legislature ~~by October 15 of each even-numbered year with an assessment~~ of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

(b) The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized or delegated purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may conduct or participate in local, state, or federal programs or projects that have as one purpose or effect the preservation or enhancement of water and soil resources and may enter into and administer agreements with local governments or landowners or their designated agents as part of those programs or projects. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with ~~the~~ the Camp Ripley's Army Compatible Use Buffer Project, Sentinel Landscape program, or related conservation programs. The board may enter into agreements,

including grant agreements, with Tribal nations, federal agencies, higher education institutions, local governments, and private sector organizations to carry out programs and other responsibilities prescribed or allowed by statute.

(c) Any money received is hereby deposited in an account in a fund other than the general fund and appropriated and dedicated for the purpose for which it is granted.

Sec. 26. Minnesota Statutes 2022, section 103B.101, subdivision 16, is amended to read:

Subd. 16. **Water quality Conservation practices; standardized specifications.** (a) ~~The board of Water and Soil Resources shall~~ must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and provide recommendations for standardized specifications for ~~water quality and soil conservation protection and improvement practices and~~ projects, and systems for:

- (1) erosion or sedimentation control;
- (2) improvements to water quality or water quantity;
- (3) habitat restoration and enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 27. Minnesota Statutes 2022, section 103B.101, is amended by adding a subdivision to read:

Subd. 18. **Guidelines for establishing and enhancing native vegetation.** (a) The board must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and to provide recommendations for standardized specifications to establish and enhance native vegetation to provide benefits for:

- (1) water quality;
- (2) soil conservation;
- (3) habitat enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 28. Minnesota Statutes 2022, section 103B.103, is amended to read:

103B.103 EASEMENT STEWARDSHIP ACCOUNTS.

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, ~~wetland banking~~ mitigation fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent ~~only~~ to cover the costs of managing easements held by the board, including costs associated with:

- (1) repairing or replacing structures;
- (2) monitoring;
- (3) landowner contacts;
- (4) records storage and management;
- (5) processing landowner notices;
- (6) requests for approval or amendments;
- (7) enforcement; and
- (8) legal services associated with easement management activities.

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each ~~wetland banking~~ mitigation easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

- (1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;

(2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;

(3) the estimated annual travel expenses to manage the easement;

(4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;

(5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation;

(6) the estimated annualized costs for repairing or replacing water control structures; and

~~(6)~~ (7) the expected rate of return on investments in the account.

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

Sec. 29. **[103B.104] LAWNS TO LEGUMES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to plant residential landscapes and community spaces with native vegetation and pollinator-friendly forbs and legumes to:

(1) protect a diversity of pollinators with declining populations; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may give priority consideration for proposals in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees and other priority species to be present.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 30. **[103B.105] HABITAT-FRIENDLY UTILITIES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to promote the successful establishment of native vegetation as part of utility projects, including solar and wind projects, pipelines, and electrical transmission corridors, to:

(1) ensure the integrity and resiliency of Minnesota landscapes; and

(2) protect habitat and water resources.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and

federal agencies and conservation partners for protecting high-priority natural resources and wildlife species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; utility companies; nonprofit organizations; and contractors to implement and promote the program.

Sec. 31. **[103B.106] HABITAT ENHANCEMENT LANDSCAPE PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to establish or enhance areas of diverse native vegetation to:

(1) support declining populations of bees, butterflies, dragonflies, birds, and other wildlife species that are essential for ecosystems and food production across conservation lands, open spaces, and natural areas; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners as high priority for protecting endangered or threatened pollinator and other species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 32. Minnesota Statutes 2022, section 103C.501, subdivision 1, is amended to read:

Subdivision 1. ~~Cost-share Program authorization.~~ The state board may allocate available funds to districts ~~to share the cost of systems or~~ for practices, projects, and systems for:

(1) erosion or sedimentation control or;

~~and water resources.~~ (2) improvements to water quality improvement that are designed to protect and improve soil and water resources; or water quantity;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

Sec. 33. Minnesota Statutes 2022, section 103C.501, subdivision 4, is amended to read:

Subd. 4. ~~Cost-sharing Use of funds.~~ ~~(a) The state board shall allocate cost-sharing funds to areas with high-priority erosion, sedimentation, or water quality problems or water quantity problems~~

due to altered hydrology. The areas must be selected based on priorities established by the state board.

(b) The allocated funds must be used for:

(1) for conservation practices for high-priority problems activities, including technical and financial assistance, identified in the comprehensive and annual work plans of the districts, for the technical assistance portion of the grant funds state-approved plans that are related to water and natural resources and established under chapters 103B, 103C, 103D, 103F, 103G, and 114D;

(2) to leverage federal or other nonstate funds; or

(3) to address high-priority needs identified in local water management plans or comprehensive watershed management plans by the district based on public input.

Sec. 34. Minnesota Statutes 2022, section 103C.501, subdivision 5, is amended to read:

Subd. 5. **Contracts by districts.** (a) A district board may contract on a cost-share basis to furnish financial aid to provide technical and financial assistance to a land occupier or to a state or federal agency for permanent systems practices and projects for:

(1) erosion or sedimentation control or;

(2) improvements to water quality or water quantity improvements that are consistent with the district's comprehensive and annual work plans;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

(b) A district board, with approval from the state board and, consistent with state board rules and policies, may contract on a cost-share basis to furnish financial aid to a land occupier for to provide technical and financial assistance for structural and nonstructural land management practices that are part of a planned erosion control or water quality improvement plan and projects.

(c) The duration of the contract must, at a minimum, be the time required to complete the planned systems. A contract must specify that the land occupier is liable for monetary damages and penalties in an amount up to 150 percent of the financial assistance received from the district, for failure to complete the systems or practices in a timely manner or maintain the systems or practices as specified in the contract.

(d) A contract may provide for cooperation or funding with federal agencies. A land occupier or state agency may provide the cost-sharing portion of the contract through services in kind.

(e) (c) The state board or the district board may not furnish any financial aid assistance for practices designed only to increase land productivity.

~~(f)~~ (d) When a district ~~board~~ determines that long-term maintenance of a system or practice is desirable, the district or the state board may require that maintenance be made a covenant upon the land for the effective life of the practice. A covenant under this subdivision shall be construed in the same manner as a conservation restriction under section 84.65.

Sec. 35. Minnesota Statutes 2022, section 103C.501, subdivision 6, is amended to read:

Subd. 6. **Policies and rules.** ~~(a)~~ The state board may adopt rules and shall adopt policies prescribing:

- (1) procedures and criteria for allocating funds for cost-sharing contracts; and
 - (2) standards and guidelines for cost-sharing implementing the conservation contracts; program.
 - ~~(3) the scope and content of district comprehensive plans, plan amendments, and annual work plans;~~
 - ~~(4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high priority erosion, sedimentation, and water quality problems and water quantity problems due to altered hydrology;~~
 - ~~(5) the share of the cost of conservation practices to be paid from cost-sharing funds; and~~
 - ~~(6) requirements for districts to document their efforts to identify and contact land occupiers with high priority problems.~~
- ~~(b) The rules may provide that cost sharing may be used for windbreaks and shelterbelts for the purposes of energy conservation and snow protection.~~

Sec. 36. Minnesota Statutes 2022, section 103D.605, subdivision 5, is amended to read:

Subd. 5. **Establishment order.** After the project hearing, if the managers find that the project will be conducive to public health, will promote the general welfare, and is in compliance ~~complies~~ with the watershed management plan and the provisions of this chapter, the ~~board~~ managers must, by order, establish the project. The establishment order must include the findings of the managers.

Sec. 37. **[103F.06] SOIL HEALTH PRACTICES PROGRAM.**

Subdivision 1. **Definitions.** (a) In this section, the following terms have the meanings given:

- (1) "board" means the Board of Water and Soil Resources;
- (2) "local units of government" has the meaning given under section 103B.305, subdivision 5;
and
- (3) "soil health" has the meaning given under section 103C.101, subdivision 10a.

Subd. 2. **Establishment.** (a) The board must administer a financial and technical support program to produce soil health practices that achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits.

(b) The program must include but is not limited to no till, field borders, prairie strips, cover crops, and other practices sanctioned by the board or the United States Department of Agriculture's Natural Resources Conservation Service.

Subd. 3. **Financial and technical assistance.** (a) The board may provide financial and technical support to local units of government, private sector organizations, and farmers to establish soil health practices and related practices with climate and water-quality benefits.

(b) The board must establish practices and costs that are eligible for financial and technical support under this section.

Subd. 4. **Program implementation.** (a) The board may employ staff or enter into external agreements to implement this section.

(b) The board must assist local units of government in achieving the objectives of the program, including assessing practice standards and program effectiveness.

Subd. 5. **Federal aid availability.** The board must regularly review availability of federal funds and programs to supplement or complement state and other efforts consistent with the purposes of this section.

Subd. 6. **Soil health practices.** The board, in consultation with the commissioner of agriculture, may cooperate with the United States Department of Agriculture, other federal and state agencies, local governments, and private sector organizations to establish soil health goals for the state that will achieve water quality, soil productivity, climate change resiliency, and carbon sequestration benefits.

Subd. 7. **Carbon market applicability.** The board, in consultation with the commissioner of agriculture, may cooperate with the United States Department of Agriculture, other federal and state agencies, local governments, and private sector organizations to align or incorporate soil health practices with carbon trading, mitigation, or offset markets and related tracking or recognition efforts.

Sec. 38. Minnesota Statutes 2022, section 103F.505, is amended to read:

103F.505 PURPOSE AND POLICY.

(a) It is the purpose of sections 103F.505 to 103F.531 to restore certain marginal agricultural land and protect environmentally sensitive areas to:

- (1) enhance soil and water quality;
- (2) minimize damage to flood-prone areas;
- (3) sequester carbon, ~~and~~;
- (4) support native plant, fish, and wildlife habitats; and
- (5) establish perennial vegetation.

(b) It is state policy to encourage ~~the~~:

(1) restoration of wetlands and riparian lands and ~~promote the retirement;~~

(2) restoration and protection of marginal, highly erodible land, particularly land adjacent to public waters, drainage systems, wetlands, and locally designated priority waters-; and

(3) protection of environmentally sensitive areas, including wellhead protection areas, grasslands, peatlands, shorelands, and forest lands in priority areas.

Sec. 39. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5a. **Grasslands.** "Grasslands" means landscapes that are or were formerly dominated by grasses, that have a low percentage of trees and shrubs, and that provide economic and ecosystem services such as grazing, wildlife habitat, carbon sequestration, and water filtration and retention.

Sec. 40. **[103F.519] REINVEST IN MINNESOTA WORKING LANDS PROGRAM.**

Subdivision 1. **Establishment.** The board may establish and administer a reinvest in Minnesota working lands program that is in addition to the program established under section 103F.515. Selecting land for the program must be based on the land's potential for:

(1) protecting or improving water quality;

(2) reducing erosion;

(3) improving soil health;

(4) reducing chemical inputs;

(5) improving carbon storage; and

(6) increasing biodiversity and habitat for fish, wildlife, and native plants.

Subd. 2. **Applicability.** Section 103F.515 applies to this section except as otherwise provided in subdivisions 1, 3, and 4.

Subd. 3. **Nature of property rights acquired.** Notwithstanding section 103F.515, subdivision 4, paragraph (a), the board may authorize haying and livestock grazing, perennial or winter annual cover crop production, forest management, or other activities that the board determines are consistent with section 103F.505 or appropriation conditions or criteria.

Subd. 4. **Payments for easements.** The board must establish payment rates for acquiring easements and for related practices. The board must consider market factors as well as easement terms, including length and allowable uses, when establishing rates.

Sec. 41. **[103G.216] REPORTING FISH KILLS IN PUBLIC WATERS.**

Subdivision 1. **Definition.** For the purposes of this section and section 103G.2165, "fish kill" means an incident resulting in the death of 25 or more fish within one linear mile of a flowing water or 25 or more fish within a square mile of a nonflowing water.

Subd. 2. **Reporting requirement.** A state or county staff person or official who learns of a fish kill in public waters must report the location of the fish kill to the Minnesota state duty officer within one hour of being notified of a fish kill or within four hours of first observing the fish kill. The Minnesota state duty officer must alert the Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency of the location of the fish kill within one hour of being notified of the fish kill. When a fish kill is reported, it must be posted to the *EQB Monitor* in the next scheduled posting.

Sec. 42. [103G.2165] DEVELOPMENT OF FISH KILL RESPONSE PROTOCOL.

Subdivision 1. **Development of protocol.** By June 30, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must update the fish kill response guidance by developing a protocol. The protocol must consist of steps that state agencies responding to a report of a fish kill under section 103G.216 must take to ascertain cause of or contributing factors to the fish kill based on scientific data and information gathered through investigation, as well as a communication plan to inform the public of potential hazards. The protocol must address:

- (1) how to approach sampling for aquatic life in most fish kill situations;
- (2) the types of locations from which samples described in clause (1) should be taken;
- (3) the types of locations where water samples should be taken from the body of water in which the fish kill occurred, as well as tributary streams and private wells with landowner consent that should also be sampled;
- (4) the types of locations from which soil and groundwater samples should be taken to ascertain whether contaminants traveled overland or underground to reach the body of water in which the fish kill occurred;
- (5) where other sampling should occur to determine the presence of contaminants that may have contributed to the fish kill;
- (6) developing a comprehensive list of contaminants, including degradation products, for which the materials sampled in clauses (3) to (5) should be tested;
- (7) the appropriate concentration limits to be used in testing samples for the presence of contaminants, allowing for the possibility that the fish kill may have resulted from the interaction of two or more contaminants present at concentrations below the level associated with toxic effects resulting from exposure to each individual chemical;
- (8) proper handling, storage, and treatment necessary to preserve the integrity of the samples described in this subdivision to maximize the information the samples can yield regarding the cause of the fish kill;
- (9) the organs and other parts of the fish and other aquatic creatures that should be analyzed to maximize the information the samples can yield regarding the cause of the fish kill;

(10) identifying a rapid response team of interagency staff or an independent contractor with the necessary data collection equipment that can travel to the site of the fish kill to collect samples within 24 to 48 hours of the incident;

(11) a communications plan with a health-risk assessment to notify potentially impacted downstream users of the surface water of the potential hazards and those in the vicinity whose public or private water supply, including surface water or groundwater, may be impacted; and

(12) the proposed content and timing for investigation reports filed following fish kills. Investigation reports should identify the probable causes and include recommendations to prevent similar incidents in the future.

Subd. 2. **Review of protocol.** The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must post the draft protocol to their websites for a 60-day period for public review and comment. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must hold one or more public informational meetings on the draft protocol. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must consider comments submitted during the public comment period before posting the final protocol to their websites.

Subd. 3. **Implementation.** Once the protocol has been published, the relevant state agencies must follow the protocol and must maintain data related to each fish kill response documenting the extent to which the protocol was followed and any reasons why it was not. Once the protocol is in effect, investigation reports for fish kills must be posted to the *EQB Monitor*.

Subd. 4. **Updating protocol.** The updated protocol must be reviewed by the commissioners of agriculture, health, and natural resources, and the commissioner of the Pollution Control Agency at least every five years according to the procedures in this section.

Sec. 43. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8a. **Microplastics.** "Microplastics" means particles of plastic less than 500 micrometers in size.

Sec. 44. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8b. **Nanoplastics.** "Nanoplastics" means plastic particles less than or equal to 100 nanometers in size.

Sec. 45. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 10a. **Plastic.** "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded at high heat into various solid forms that retain their defined shapes during their life cycle and after disposal. Plastic does not mean natural polymers that have not been chemically modified.

Sec. 46. Minnesota Statutes 2022, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The agency commissioner is hereby given and charged with the following powers and duties:

(a) (1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) (2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) (3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) (4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(1) (i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) (ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) (iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) (iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) (v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is

or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

~~(6)~~ (vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

~~(9)~~ (ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability

of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

~~(10)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

~~(6)~~ (6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

~~(7)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

~~(8)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

~~(9)~~ (9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

~~(10)~~ (10) to train water pollution control personnel; and charge ~~such training fees therefor~~ as are necessary to cover the agency's costs. All such fees received ~~shall~~ must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs not to exceed \$350. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

~~(12)~~ (12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

~~(13)~~ (13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

~~(m)~~ (14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

~~(m)~~ (15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

(b) The information required in paragraph (a), clause ~~(m)~~ (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 47. Minnesota Statutes 2022, section 115A.1415, is amended to read:

**115A.1415 ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP PROGRAM;
STEWARDSHIP PLAN.**

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

(1) "architectural paint" means interior and exterior architectural coatings sold in containers of five gallons or less. Architectural paint does not include industrial coatings, original equipment coatings, or specialty coatings;

(2) "brand" means a name, symbol, word, or mark that identifies architectural paint, rather than its components, and attributes the paint to the owner or licensee of the brand as the producer;

(3) "discarded paint" means architectural paint that is no longer used for its manufactured purpose;

(4) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of architectural paint sold in the state;

(ii) imports architectural paint branded by a producer that meets item (i) when the producer has no physical presence in the United States;

(iii) if items (i) and (ii) do not apply, makes unbranded architectural paint that is sold in the state; or

(iv) sells architectural paint at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the architectural paint by certifying that election in writing to the commissioner;

(5) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

(6) "retailer" means any person who offers architectural paint for sale at retail in the state;

(7) "reuse" means donating or selling collected architectural paint back into the market for its original intended use, when the architectural paint retains its original purpose and performance characteristics;

(8) "sale" or "sell" means transfer of title of architectural paint for consideration, including a remote sale conducted through a sales outlet, catalog, website, or similar electronic means. Sale or sell includes a lease through which architectural paint is provided to a consumer by a producer, wholesaler, or retailer;

(9) "stewardship assessment" means the amount added to the purchase price of architectural paint sold in the state ~~that is necessary to cover the cost of collecting, transporting, and processing postconsumer architectural paint by the producer or stewardship organization pursuant to a product stewardship program~~ to implement a product stewardship program according to an approved stewardship plan;

(10) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

(11) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. Product stewardship program. For architectural paint sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages the architectural paint by reducing the paint's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Subd. 3. Participation required to sell. (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No producer, wholesaler, or retailer may sell or offer for sale in the state architectural paint unless the paint's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the ~~agency commissioner~~ or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the agency commissioner.

Subd. 4. Stewardship plan required. (a) ~~On or before March 1, 2014, and~~ Before offering architectural paint for sale in the state, a producer must submit a stewardship plan to the agency commissioner and receive approval of the plan or must submit documentation to the agency commissioner that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) ~~An~~ A proposed amendment to the plan, if determined necessary by the commissioner, must be submitted to the commissioner for review and approval or rejection every five years.

~~(c) It is the responsibility of~~ The entities responsible for each stewardship plan ~~to~~ must notify the ~~agency~~ commissioner within 30 days of any significant proposed changes or modifications to the plan or its implementation. Within 30 days of the notification, a written proposed plan revision amendment must be submitted to the ~~agency~~ commissioner for review and approval or rejection.

Subd. 5. **Plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components;

(2) contact information for the individual and the entity submitting the stewardship plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;

(3) a description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recyclers that will manage discarded paint;

(6) a description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) the proposed stewardship assessment. ~~The producer or stewardship organization shall propose a uniform stewardship assessment for any architectural paint sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment established according to subdivision 5a;~~

(10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(11) five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific goal for the amount of discarded paint that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

- (i) the most recent collection data available for the state;
 - (ii) the estimated amount of architectural paint disposed of annually;
 - (iii) the weight of the architectural paint that is expected to be available for collection annually;
- and
- (iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals; and

(12) a discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 5a. **Stewardship assessment.** The producer or stewardship organization must propose a uniform stewardship assessment for any architectural paint sold in the state that covers but does not exceed the costs of developing the stewardship plan, operating and administering the program in accordance with the stewardship plan and the requirements of this section, and maintaining a financial reserve. A stewardship organization or producer must not maintain a financial reserve in excess of 75 percent of the organization's annual operating expenses. The producer or stewardship organization must retain an independent auditor to review the proposed stewardship assessment to ensure that the assessment meets the requirements of this section. The independent auditor must recommend an amount for the stewardship assessment. If the financial reserve exceeds 75 percent of the producer or stewardship organization's annual operating expenses, the producer or stewardship organization must submit a proposed plan amendment according to subdivision 4, paragraph (c), to comply with this subdivision. The commissioner must review and approve or reject the stewardship assessment according to subdivision 7.

Subd. 6. **Consultation required.** Each stewardship organization or individual producer submitting a stewardship plan or plan amendment must consult with stakeholders including retailers, contractors, collectors, recyclers, local government, and customers during the development of the plan or plan amendment.

Subd. 7. **Agency Commissioner review and approval.** (a) Within 90 days after receipt of receiving a proposed stewardship plan, the ~~agency shall~~ commissioner must determine whether the plan complies with ~~subdivision 4~~ this section. If the ~~agency~~ commissioner approves a plan, the ~~agency shall~~ commissioner must notify the applicant of the plan approval in writing. If the ~~agency~~ commissioner rejects a plan, the ~~agency shall~~ commissioner must notify the applicant in writing of the reasons for rejecting the plan.

(b) An applicant whose plan is rejected by the ~~agency~~ commissioner must submit a revised stewardship plan to the ~~agency~~ commissioner within 60 days after receiving notice of rejection. A stewardship organization may submit a revised stewardship plan to the commissioner on not more

than two consecutive occasions. If, after the second consecutive submission, the commissioner determines that the revised stewardship plan still does not meet the requirements of this section, the commissioner must modify the stewardship plan as necessary to meet the requirements of this section and approve the stewardship plan.

~~(b)~~ (c) Any proposed ~~changes~~ amendment to a stewardship plan must be reviewed and approved or rejected by the agency commissioner in writing according to this subdivision.

Subd. 8. **Plan availability.** All ~~draft~~ proposed stewardship plans and amendments and approved stewardship plans ~~shall~~ and amendments must be placed on the agency's website for at least 30 days and made available at the agency's headquarters for public review and comment.

Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes collection, transport, and processing of architectural paint under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. **Producer responsibilities.** (a) On and after the date of implementation of a product stewardship program according to this section, a producer of architectural paint must add the stewardship assessment, as established under subdivision ~~5, clause (9)~~ 5a, to the cost of architectural paint sold to retailers and distributors in the state by the producer.

(b) Producers of architectural paint or the stewardship organization ~~shall~~ must provide consumers with educational materials regarding the stewardship assessment and product stewardship program. The materials must include, but are not limited to, information regarding available end-of-life management options for architectural paint offered through the product stewardship program and information that notifies consumers that a charge for the operation of the product stewardship program is included in the purchase price of architectural paint sold in the state.

Subd. 11. **Retailer responsibilities.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No architectural paint may be sold in the state unless the paint's producer is participating in an approved stewardship plan.

(b) On and after the implementation date of a product stewardship program according to this section, each retailer or distributor, as applicable, must ensure that the full amount of the stewardship assessment added to the cost of architectural paint by producers under subdivision 10 is included in the purchase price of all architectural paint sold in the state.

(c) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(d) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the architectural paint was ordered from the producer or its agent, the producer was listed as compliant on the agency's website according to subdivision 14.

Subd. 12. **Stewardship reports.** ~~Beginning October 1, 2015,~~ By April 1 each year, producers of architectural paint sold in the state must individually or through a stewardship organization submit

an annual report to the agency commissioner describing the product stewardship program for the preceding calendar year. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process architectural paint in all regions of the state;

(2) the weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;

(3) the amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing;

(4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(5) an independent financial audit.

Subd. 13. **Data classification.** Trade secret and sales information, as defined under section 13.37, submitted to the agency commissioner under this section are private or nonpublic data under section 13.37.

Subd. 14. **Agency Commissioner responsibilities.** ~~The agency shall~~ the agency commissioner must provide, on its the agency's website, a list of all compliant producers and brands participating in stewardship plans that the agency commissioner has approved and a list of all producers and brands the agency commissioner has identified as noncompliant with this section.

Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program reuse and recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report for the first year of the program to the agency commissioner using the reporting form provided by the agency commissioner on the cost savings as a result of participation and must describe how the savings were used.

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan ~~shall~~ must pay an annual administrative fee to the commissioner. The agency commissioner may establish a variable fee based on relevant factors, including, but not limited to, the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) ~~Prior to July 1, 2014, and~~ Before July 1 annually thereafter each year, the agency shall commissioner must identify the costs it the agency incurs under this section. The agency shall commissioner must set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to reimburse the agency's full costs

of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) A stewardship organization or individual producer subject to this subdivision must pay the ~~agency's~~ commissioner's administrative fee under paragraph (a) on or before July 1, ~~2014, and~~ ~~annually thereafter~~ each year. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section ~~shall~~ must be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. ~~For fiscal years 2014, 2015, 2016, and 2017,~~ The amount collected under this section is annually appropriated to the ~~agency~~ commissioner to implement and enforce this section.

Subd. 17. **Duty to provide information.** Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

Sec. 48. Minnesota Statutes 2022, section 115A.49, is amended to read:

115A.49 SOLID WASTE MANAGEMENT PROJECTS CAPITAL ASSISTANCE PROGRAM.

(a) There is established a program to encourage and assist cities, counties, solid waste management districts, and sanitary districts in the development and implementation of solid waste management projects and to transfer the knowledge and experience gained from such projects to other communities in the state.

(b) The program must be administered to encourage local communities to develop feasible and prudent alternatives to disposal, including:

- (1) waste reduction;
- (2) reuse;
- (3) recycling;
- (4) composting source-separated compostable materials or yard waste;
- (5) resource recovery;
- (6) waste separation by generators, collectors, and other persons; and
- (7) waste processing.

(c) The commissioner shall administer the program ~~in accordance with the requirements of~~ according to sections 115A.49 to 115A.54 and rules ~~promulgated~~ adopted under chapter 14. In administering the program, the commissioner shall give priority to projects in the order of preference of the waste management practices listed in section 115A.02. The commissioner shall give special consideration to areas where natural geologic and soil conditions are especially unsuitable for land

disposal of solid waste; areas where the capacity of existing solid waste disposal facilities is determined by the commissioner to be less than five years; and projects serving more than one local government unit.

Sec. 49. Minnesota Statutes 2022, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program must demonstrate:

(1) that the project is conceptually and technically feasible;

(2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

(3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources or the availability of materials for waste reduction or reuse, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

(4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including using existing solid waste management facilities and facilities conducting waste reduction or reuse with reasonably available capacity sufficient to accomplish the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators;

(5) that the applicant has identified:

(i) waste management objectives in applicable county and regional solid waste management plans consistent with section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(ii) other solid waste management facilities and facilities conducting waste reduction or reuse identified in the county and regional plans; ~~and~~

(6) that the applicant has conducted a comparative analysis of the project against existing public and private solid waste management facilities and facilities conducting waste reduction or reuse, including an analysis of potential displacement of those facilities, to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that considers:

(i) conformity with approved county or regional solid waste management plans;

(ii) consistency with the state's solid waste hierarchy and section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(iii) environmental standards related to public health, air, surface water, and groundwater;

(7) that the applicant has evaluated the project's environmental impact on climate change, including greenhouse gas emissions; and

(8) that the applicant has reviewed the project's impact on overburdened areas, conducted stakeholder engagement, and assessed community input.

(b) The commissioner ~~may~~ must require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each solid waste management facility, including each facility used for waste reduction or reuse, mentioned in the portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

Sec. 50. Minnesota Statutes 2022, section 115A.54, subdivision 1, is amended to read:

Subdivision 1. **Purposes; public interest; declaration of policy.** The legislature finds that ~~the establishment of waste processing~~ acquiring, establishing, and improving facilities that conduct waste reduction, reuse, recycling, composting source-separated compostable materials or yard waste, resource recovery, and waste processing and transfer stations serving such facilities is needed to reduce and manage properly the solid waste generated in the state and to conserve and protect the natural resources in the state and the health, safety, and welfare of its citizens; that opportunities to acquire, establish, and improve the facilities and transfer stations are not being fully realized by individual political subdivisions or by agreements among subdivisions; and that therefore it is necessary to provide capital assistance to stimulate and encourage the acquisition, establishment, and betterment improvement of the facilities and transfer stations.

Sec. 51. Minnesota Statutes 2022, section 115A.54, subdivision 2, is amended to read:

Subd. 2. **Administration; assurance of funds.** The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve the facilities and transfer stations from revenues derived from ~~the issuance of~~ issuing bonds authorized by section 115A.58. Facilities for ~~the incineration of~~ incinerating solid waste without resource recovery are not eligible for assistance. Money appropriated for the purposes of the ~~demonstration~~ program may be distributed as grants or loans. An individual project may receive assistance totaling up to 100 percent of the capital cost of the project and grants up to ~~50~~ 75 percent of the capital cost of the project. No grant or loan shall be disbursed to any recipient until the commissioner has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for ~~the construction of~~ constructing the project.

Sec. 52. Minnesota Statutes 2022, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. **Solid waste management projects.** (a) The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or ~~\$2,000,000~~ \$5,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 25 percent of the capital cost of the project; or

(2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

(c) A recycling project or, a project to compost or eocompost source-separated compostable material or yard waste, or a project to manage household hazardous waste may receive grant assistance up to 50 percent of the capital cost of the project or ~~\$2,000,000~~ \$5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 50 percent of the capital cost of the project; or

(2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

(d) The following projects may also receive grant assistance in the amounts specified in ~~this~~ paragraph (c):

(1) a project to improve control of or reduce air emissions at an existing resource recovery facility; and

(2) a project to substantially increase the recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility to meet the resource recovery needs of an expanded region if each county from which waste is or would be received has achieved a recycling rate in excess of the goals in section 115A.551, and is implementing aggressive waste reduction and household hazardous waste management programs.

(e) A waste reduction project or reuse project may receive grant assistance up to 75 percent of the capital cost of the project or \$5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 75 percent of the capital cost of the project; or

(2) \$5,000,000 times the number of participating counties.

~~(f)~~ (f) Notwithstanding paragraph ~~(e)~~ (g), the commissioner may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the commissioner, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within 16 years of the date of the grant award, the recipient shall repay the grant amount to the state.

~~(g)~~ (g) Projects without waste reduction, reuse, recycling, composting source-separated compostable material or yard waste, or resource recovery are not eligible for assistance. Solid waste disposal facilities and equipment are not eligible for assistance.

~~(h)~~ (h) In addition to any assistance received under paragraph (b) ~~or~~, (c), (d), or (e), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

~~(g)~~ (i) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

~~(h)~~ (j) For the purposes of this subdivision, a "project" means acquisition, establishment, or improvement of a processing facility; that conducts waste reduction, reuse, recycling, composting, source-separated compostable materials or yard waste, resource recovery, or waste processing, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the ~~processing~~ facility.

(k) The commissioner shall adopt rules for the program ~~by July 1, 1985.~~

~~(i)~~ (l) Notwithstanding anything in this subdivision to the contrary, a project to construct a new ~~mixed-municipal~~ solid waste transfer station that has an enforceable commitment of at least ten years, or of sufficient length to retire bonds sold for the facility, to serve an existing resource recovery facility may receive grant assistance up to 75 percent of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery facility and the ability of the resource recovery facility to operate more efficiently on a regional basis and the facility meets the criteria in paragraph ~~(e)~~ (d), ~~the second~~ clause (2). A transfer station eligible for assistance under this paragraph is not eligible for assistance under any other paragraph of this subdivision.

Sec. 53. Minnesota Statutes 2022, section 115A.565, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner must make competitive grants to political subdivisions or federally recognized Tribes ~~to establish curbside recycling or composting, increase for waste reduction, reuse, recycling or, and composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated~~ of source-separated compostable materials or yard waste. To be eligible for grants under this section, a political subdivision or federally recognized Tribe must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Sec. 54. Minnesota Statutes 2022, section 115A.565, subdivision 3, is amended to read:

Subd. 3. **Priorities; eligible projects.** (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

(1) be locally administered;

(2) have an educational component and measurable outcomes;

(3) request \$250,000 or less;

(4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; ~~and~~

(5) include at least one of the following elements:

~~(i) transition to residential recycling through curbside or centrally located collection sites;~~

~~(ii) development of local recycling systems to support curbside recycling; or~~

~~(iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.~~

(i) waste reduction;

(ii) reuse;

(iii) recycling; or

(iv) composting of source-separated compostable materials or yard waste; and

(6) demonstrate that the project will reduce waste generation through waste reduction or reuse or that the project will increase the amount of recyclable materials or source-separated compostable materials diverted from a disposal facility.

Sec. 55. [116.065] CUMULATIVE IMPACTS ANALYSIS; PERMIT DECISIONS IN ENVIRONMENTAL JUSTICE AREAS.

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

(b) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(c) "Cumulative impacts" means the impacts of aggregated levels of past and current air, water, and land pollution in a defined geographic area to which current residents are exposed.

(d) "Environmental justice" means:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of the area's and its residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of those residents to additional exposure to pollutants.

(e) "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency;
or

(2) located within Indian Country, as defined in United States Code, title 18, section 1151.

(f) "Environmental stressors" mean factors that may make residents of an environmental justice area particularly sensitive to exposure to pollutants. Environmental stressors include social and environmental factors, including but not limited to poverty, substandard housing, food insecurity, elevated rates of disease, and poor access to health insurance and medical care.

Subd. 2. **Cumulative impacts analysis; when required.** (a) Except as provided in paragraph (b), this subdivision applies to the following permit applications for the construction of a new facility or the expansion of an existing facility within the seven-county metropolitan area or within Indian Country, as defined in United States Code, title 18, section 1151:

(1) a major source air permit, as defined in Minnesota Rules, part 7007.0200, subpart 2;

(2) a state air permit required under Minnesota Rules, part 7007.0250, subpart 6;

(3) an individual permit for a solid waste disposal facility proposing to receive or increase capacity by 100,000 cubic yards or more of waste annually; and

(4) a permit required for the treatment, storage, or disposal of hazardous waste.

(b) This section does not apply to the construction of a new facility or the expansion of an existing facility by a person acting under a permit to mine iron, taconite, or nonferrous metallic minerals, or to a permit application for the construction of a new facility or the expansion of an existing facility in the Taconite Assistance Area, as defined in section 273.1341.

(c) The owner or operator of a facility subject to paragraph (a), clause (1), must conduct a cumulative impacts analysis if the facility is located in or, as determined by the commissioner, may affect the environment or health of residents in an environmental justice area and:

(1) the proposed facility or expansion exceeds the benchmarks established in rules adopted under subdivision 5 for requiring a cumulative impacts analysis; or

(2) a petition signed by at least 100 persons residing or owning property in the affected environmental justice area is submitted to the commissioner and supported by material evidence demonstrating, to the satisfaction of the commissioner, that a potential adverse cumulative impact on the environment or health of the residents of the environmental justice area may result if the permit is issued.

In making this determination, the commissioner may consider material evidence submitted by the owner or operator of the facility seeking the permit that issuance of the permit will not result in a potential adverse cumulative impact in the environmental justice area.

(d) The commissioner may require an owner or operator of a facility described in paragraph (a), clauses (1) to (4), that is seeking reissuance of a permit to conduct a cumulative impacts analysis if the commissioner has material evidence that demonstrates that a potential adverse cumulative impact on the environment or health of the residents of the environmental justice area may result if the permit is issued and:

(1) the facility is located within one mile of the boundary of an environmental justice area within the seven-county metropolitan area;

(2) the facility is located within one mile of Indian Country, as defined in United States Code, title 18, section 1151; or

(3) the proposed facility does not exceed the benchmarks established in rules adopted under subdivision 5 for requiring a cumulative impacts analysis.

In making this determination, the commissioner may consider material evidence submitted by the owner or operator of the facility seeking the permit that reissuance of the permit will not result in a potential adverse cumulative effect in the environmental justice area.

Subd. 3. **Cumulative impacts analysis; public meeting requirements.** (a) Any owner or operator required to conduct a cumulative impacts analysis under subdivision 2 must hold at least two public meetings in the affected environmental justice area before the commissioner issues or denies a permit. The first public meeting must be held before conducting a cumulative impacts analysis, and the second must be held after conducting the analysis.

(b) The owner or operator must:

(1) publish notice containing the date, time, and location of the public meetings and a brief description of the permit or project in a newspaper of general circulation in the environmental justice area at least 30 days before the meetings;

(2) post physical signage in the environmental justice area impacted, as directed by the commissioner; and

(3) provide the commissioner with notice of the public meeting and a copy of the cumulative impacts analysis at least 45 days before the second public meeting.

(c) The commissioner must post the notice and cumulative impacts analysis on the agency website at least 30 days before the second public meeting.

(d) The permit applicant or permit holder must:

(1) provide an opportunity for robust public and Tribal engagement at the public meetings;

(2) accept written and oral comments, as directed by the commissioner, from any interested party; and

(3) provide an electronic copy of all written comments and a transcript of oral comments to the agency within 30 days of the public meetings.

(e) If the permit applicant or permit holder is applying for more than one permit that may affect the same environmental justice area, the permit applicant or permit holder may request that the commissioner require that the facility hold two public meetings that address all of the permits sought. The commissioner may approve or deny the request.

(f) The commissioner may incorporate conditions in a permit for a facility located in or affecting an environmental justice area to hold multiple in-person meetings with residents of the environmental justice area affected by the facility to share information and discuss community concerns.

Subd. 4. **Environmental justice area; permit decisions.** (a) In determining whether to issue or deny a permit, the commissioner must consider the testimony presented and comments submitted in public meetings held under subdivision 3. The permit may be issued no earlier than 30 days following the last public meeting.

(b) The commissioner must deny an application for a permit subject to this section for a facility in an environmental justice area if the commissioner finds that issuing the permit in combination with the environmental stressors present in the environmental justice area would contribute to adverse cumulative environmental stressors in the environmental justice area, unless:

(1) the commissioner enters into a community benefit agreement with the facility owner or operator, in consultation with community-based organizations representing the interests of residents of the environmental justice area; and

(2) there is a compelling public interest to issue the permit, as determined by the commissioner, based on criteria established in rules adopted under subdivision 5.

(c) If the commissioner determines that a compelling public interest exists and the commissioner enters into a community benefit agreement with the facility owner or operator, the commissioner may grant a permit that imposes conditions on the construction and operation of the facility to protect public health and the environment.

(d) Issuance of a permit under this section must include a requirement that the facility provide information to the community describing the health risks that the facility poses.

(e) A community benefit agreement must be signed on or before the date a new permit or major source permit amendment is issued in an environmental justice area.

(f) The commissioner must publish and maintain on the agency website a list of environmental justice areas in the state.

Subd. 5. **Rulemaking.** (a) The commissioner must adopt rules under chapter 14 to implement and govern the cumulative impacts analysis and issuance or denial of permits for facilities that impact environmental justice areas as provided in this section. Notwithstanding section 14.125, the agency must publish notice of intent to adopt rules within 36 months of the effective date of this section, or the authority for the rules expires.

(b) During the rulemaking process, the Pollution Control Agency must engage in robust public engagement, including public meetings, and Tribal consultation.

(c) Rules adopted under this section must:

(1) define conditions, criteria, or circumstances that qualify as a compelling public interest, which:

(i) must consider whether the economic benefit considered will directly or substantially benefit residents of the affected environmental justice area;

(ii) must include noneconomic considerations; and

(iii) must take into account public comments made at public meetings held under subdivision 3;

(2) establish benchmarks to assist the commissioner's determination regarding the need for a cumulative impacts analysis;

(3) establish the content of a community benefit agreement and procedures for entering into community benefit agreements, which must include consultation with members of the public and community-based organizations or coalitions representing the interests of residents within the environmental justice area;

(4) establish a petition process and form submitted to the agency by environmental justice area residents to support the need for a cumulative impact analysis;

(5) establish and define criteria for requiring a cumulative impact analysis; and

(6) establish a process for conducting a cumulative impacts analysis.

(d) The agency must provide translation services and translated materials upon request during rulemaking meetings.

(e) The agency must use multiple communication methods to inform residents of environmental justice areas in the public meetings held for the rulemaking.

EFFECTIVE DATE. Subdivisions 1 and 5 are effective the day following final enactment. The remainder of this section is effective on January 1, 2027.

Sec. 56. Minnesota Statutes 2022, section 116.07, subdivision 6, is amended to read:

Subd. 6. **Pollution Control Agency; exercise of powers.** In exercising all its powers the Pollution Control Agency ~~shall give due consideration to~~ must:

(1) consider the establishment, maintenance, operation and expansion of business, commerce, trade, industry, traffic, and other economic factors and other material matters affecting the feasibility and practicability of any proposed action, including, but not limited to, the burden on a municipality of any tax which may result therefrom, and ~~shall~~ must take or provide for such action as may be reasonable, feasible, and practical under the circumstances; and

(2) to the extent reasonable, feasible, and practical under the circumstances:

(i) ensure that actions or programs that have a direct, indirect, or cumulative impact on environmental justice areas incorporate community-focused practices and procedures in agency processes, including communication, outreach, engagement, and education to enhance meaningful, timely, and transparent community access;

(ii) collaborate with other state agencies to identify, develop, and implement means to eliminate and reverse environmental and health inequities and disparities;

(iii) promote the utility and availability of environmental data and analysis for environmental justice areas, other agencies, federally recognized Tribal governments, and the public;

(iv) encourage coordination and collaboration with residents of environmental justice areas to address environmental and health inequities and disparities; and

(v) ensure environmental justice values are represented to the agency from a commissioner-appointed environmental justice advisory committee that is composed of diverse members and that is developed and operated in a manner open to the public and in accordance with the duties described in the bylaws and charter adopted and maintained by the commissioner.

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

Sec. 57. [116.943] PRODUCTS CONTAINING PFAS.

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; and

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; a medical device; or an adult mattress.

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

Subd. 2. **Information required.** (a) On or before January 1, 2026, a manufacturer of a product sold, offered for sale, or distributed in the state that contains intentionally added PFAS must submit to the commissioner information that includes:

(1) a brief description of the product, including a universal product code (UPC), stock keeping unit (SKU), or other numeric code assigned to the product;

(2) the purpose for which PFAS are used in the product, including in any product components;

(3) the amount of each PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner;

(4) the name and address of the manufacturer and the name, address, and phone number of a contact person for the manufacturer; and

(5) any additional information requested by the commissioner as necessary to implement the requirements of this section.

(b) With the approval of the commissioner, a manufacturer may supply the information required in paragraph (a) for a category or type of product rather than for each individual product.

(c) A manufacturer must submit the information required under this subdivision whenever a new product that contains intentionally added PFAS is sold, offered for sale, or distributed in the state and update and revise the information whenever there is significant change in the information or when requested to do so by the commissioner.

(d) A person may not sell, offer for sale, or distribute for sale in the state a product containing intentionally added PFAS if the manufacturer has failed to provide the information required under this subdivision and the person has received notification under subdivision 4.

Subd. 3. **Information requirement waivers; extensions.** (a) The commissioner may waive all or part of the information requirement under subdivision 2 if the commissioner determines that substantially equivalent information is already publicly available. The commissioner may grant a waiver under this paragraph to a manufacturer or a group of manufacturers for multiple products or a product category.

(b) The commissioner may enter into an agreement with one or more other states or political subdivisions of a state to collect information and may accept information to a shared system as meeting the information requirement under subdivision 2.

(c) The commissioner may extend the deadline for submission by a manufacturer of the information required under subdivision 2 if the commissioner determines that more time is needed by the manufacturer to comply with the submission requirement.

Subd. 4. **Testing required and certificate of compliance.** (a) If the commissioner has reason to believe that a product contains intentionally added PFAS and the product is being offered for sale in the state, the commissioner may direct the manufacturer of the product to, within 30 days, provide the commissioner with testing results that demonstrate the amount of each of the PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner.

(b) If testing demonstrates that the product does not contain intentionally added PFAS, the manufacturer must provide the commissioner a certificate attesting that the product does not contain intentionally added PFAS, including testing results and any other relevant information.

(c) If testing demonstrates that the product contains intentionally added PFAS, the manufacturer must provide the commissioner with the testing results and the information required under subdivision 2.

(d) A manufacturer must notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state and provide the commissioner with a list of the names and addresses of those notified.

(e) The commissioner may notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state.

Subd. 5. **Prohibitions.** (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

- (6) fabric treatments;
- (7) juvenile products;
- (8) menstruation products;
- (9) textile furnishings;
- (10) ski wax; or
- (11) upholstered furniture.

(b) The commissioner may by rule identify additional products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. A prohibition adopted under this paragraph must be effective no earlier than January 1, 2025, and no later than January 1, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS.

(c) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use. The commissioner may not determine that the use of PFAS in a product is a currently unavoidable use if the product is listed in paragraph (a).

Subd. 6. **Fees.** The commissioner may establish by rule a fee payable by a manufacturer to the commissioner upon submission of the information required under subdivision 2 to cover the agency's reasonable costs to implement this section. Fees collected under this subdivision must be deposited in an account in the environmental fund.

Subd. 7. **Enforcement.** (a) The commissioner may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 8. **Exemptions.** This section does not apply to:

(1) a product for which federal law governs the presence of PFAS in the product in a manner that preempts state authority;

(2) a product regulated under section 325F.072 or 325F.075; or

(3) the sale or resale of a used product.

Subd. 9. **Rules.** The commissioner may adopt rules necessary to implement this section. Section 14.125 does not apply to the commissioner's rulemaking authority under this section.

Sec. 58. Minnesota Statutes 2022, section 171.07, is amended by adding a subdivision to read:

Subd. 20. **Watercraft operator's permit.** (a) The department must maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a watercraft operator's permit. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received a watercraft operator's permit, the department must include on all drivers' licenses or Minnesota identification cards subsequently issued to the person a graphic or written indication that the person has received the permit.

(c) If a person who has received a watercraft operator's permit applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and must then follow the procedures in paragraph (b).

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

Sec. 59. Minnesota Statutes 2022, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month. The monthly deposit amount is \$12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) ~~72.43~~ Eighty-two percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) Two percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) One percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

~~(k)~~ (k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

~~(l)~~ (l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

- (1) 25 percent to the volunteer fire assistance grant account established under section 88.068;
- (2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and
- (3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

~~(m)~~ (m) The revenues deposited under paragraphs (a) to ~~(j)~~ (l) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

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

Sec. 60. [325E.3892] LEAD AND CADMIUM IN CONSUMER PRODUCTS; PROHIBITION.

Subdivision 1. Definitions. For purposes of this section, "covered product" means any of the following products or product components:

- (1) jewelry;
- (2) toys;
- (3) cosmetics and personal care products;
- (4) puzzles, board games, card games, and similar games;
- (5) play sets and play structures;
- (6) outdoor games;
- (7) school supplies;
- (8) pots and pans;
- (9) cups, bowls, and other food containers;
- (10) craft supplies and jewelry-making supplies;
- (11) chalk, crayons, paints, and other art supplies;
- (12) fidget spinners;
- (13) costumes, costume accessories, and children's and seasonal party supplies;
- (14) keys, key chains, and key rings; and
- (15) clothing, footwear, headwear, and accessories.

Subd. 2. Prohibition. (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

- (1) lead at more than 0.009 percent by total weight (90 parts per million); or
- (2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to covered products containing lead or cadmium, or both, when regulation is preempted by federal law.

Subd. 3. Enforcement. The commissioners of the Pollution Control Agency, commerce, and health may coordinate to enforce this section. The commissioner of the Pollution Control Agency or commerce may, with the attorney general, enforce any federal restrictions on the sale of products

containing lead or cadmium, or both, as allowed under federal law. The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner of commerce may enforce this section under sections 45.027, subdivisions 1 to 6; 325F.10 to 325F.12; and 325F.14 to 325F.16. The attorney general may enforce this section under section 8.31.

Sec. 61. Minnesota Statutes 2022, section 325F.072, subdivision 1, is amended to read:

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

(b) "Class B firefighting foam" means foam designed for flammable liquid fires to prevent or extinguish a fire in flammable liquids, combustible liquids, petroleum greases, tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.

(c) "PFAS chemicals" or "perfluoroalkyl and polyfluoroalkyl substances" means, ~~for the purposes of firefighting agents,~~ a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom ~~and designed to be fully functional in class B firefighting foam formulations.~~

(d) "Political subdivision" means a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679.

(e) "State agency" means an agency as defined in section 16B.01, subdivision 2.

(f) "Testing" means calibration testing, conformance testing, and fixed system testing.

Sec. 62. Minnesota Statutes 2022, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition of testing and training.** (a) ~~Beginning July 1, 2020,~~ No person, political subdivision, or state agency shall ~~discharge class B firefighting foam that contains intentionally added~~ manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.

~~(1) for testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or~~

~~(2) for training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment. For training purposes, class B foam that contains intentionally added PFAS chemicals shall not be used.~~

~~(b) This section does not restrict:~~

~~(1) the manufacture, sale, or distribution of class B firefighting foam that contains intentionally added PFAS chemicals; or~~

~~(2) the discharge or other use of class B firefighting foams that contain intentionally added PFAS chemicals in emergency firefighting or fire prevention operations.~~

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including

but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

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

Sec. 63. Minnesota Statutes 2022, section 325F.072, is amended by adding a subdivision to read:

Subd. 3a. Discharge for testing and training. A person, political subdivision, or state agency exempted from the prohibitions under subdivision 3 may not discharge class B firefighting foam that contains intentionally added PFAS chemicals for:

(1) testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or

(2) training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment.

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

Sec. 64. **50-YEAR CLEAN WATER PLAN SCOPE OF WORK.**

(a) The University of Minnesota Water Council is requested to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years. The 50-year clean water plan must:

(1) provide a literature-based assessment of the current status and trends regarding the quality and quantity of all Minnesota waters, both surface and subsurface;

(2) identify gaps in the data or understanding and provide recommended action steps to address gaps;

(3) identify existing and potential future threats to Minnesota's waters; and

(4) propose a road map of scenarios and policy recommendations to allow the state to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years.

(b) The scope of work must outline the steps and resources necessary to develop the plan, including but not limited to:

(1) the data sets that are required and how the University of Minnesota will obtain access;

(2) the suite of proposed analysis methods;

(3) the roles and responsibilities of project leaders, key personnel, and stakeholders;

(4) the project timeline with milestones; and

(5) a budget with expected costs for tasks and milestones.

(c) By December 1, 2023, the Board of Regents of the University of Minnesota is requested to submit the scope of work to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

Sec. 65. REPORT REQUIRED; RECYCLING AND REUSING SOLAR PHOTOVOLTAIC MODULES AND INSTALLATION COMPONENTS.

(a) The commissioner of the Pollution Control Agency, in consultation with the commissioners of commerce and employment and economic development, must coordinate preparation of a report on developing a statewide system to reuse and recycle solar photovoltaic modules and installation components in the state.

(b) The report must include options for a system to collect, reuse, and recycle solar photovoltaic modules and installation components at end of life. Any system option included in the report must be convenient and accessible throughout the state, recover 100 percent of discarded components, and maximize value and materials recovery. Any system option developed must include analysis of:

(1) the reuse and recycling values of solar photovoltaic modules, installation components, and recovered materials;

(2) system infrastructure and technology needs;

(3) how to maximize in-state employment and economic development;

(4) net costs for the program; and

(5) potential benefits and negative impacts of the plan on environmental justice and Tribal communities.

(c) The report must include a survey of solar photovoltaic modules and installation components that are currently coming out of service and those projected to come out of service in the future in Minnesota. The report must include a description of how solar photovoltaic modules and installation components are currently being managed at end of life and how they would likely be managed in the future without the proposed reuse and recycling system.

(d) After completing the report, the commissioner must convene a working group to advise on developing policy recommendations for a statewide system to manage solar photovoltaic modules and installation components. The working group must include but is not limited to:

(1) the commissioners of commerce and employment and economic development or their designees;

(2) representatives of the solar industry and electric utilities;

(3) representatives of state, local, and Tribal governments; and

(4) other relevant stakeholders.

(e) By January 15, 2025, the commissioner must submit the report and the policy recommendations developed under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance and energy policy and finance.

Sec. 66. STATUTORY AND RULE REVISIONS TO PREVENT FISH KILLS IN DRIFTLESS AREA.

By January 15, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must make recommendations to the legislature for statutes and rules that should be amended to prevent fish kills within the boundaries of the Department of Natural Resources Paleozoic Plateau ecological section.

Sec. 67. TEMPORARY EXEMPTION FOR TERMINALS AND OIL REFINERIES.

Subdivision 1. **Temporary exemption.** Minnesota Statutes, section 325F.072, subdivision 3, does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for the purposes of use at a terminal or oil refinery until January 1, 2026.

Subd. 2. **Extension; waiver.** (a) A person who operates a terminal or oil refinery may apply to the state fire marshal for a waiver to extend the exemption under subdivision 1 beyond January 1, 2026, as provided in this subdivision.

(b) The state fire marshal may grant a waiver to extend the exemption under subdivision 1 for a specific use if the applicant provides all of the following:

(1) clear and convincing evidence that there is no commercially available replacement that does not contain intentionally added PFAS chemicals and that is capable of suppressing fire for that specific use;

(2) information on the amount of firefighting foam containing intentionally added PFAS chemicals stored, used, or released on-site on an annual basis;

(3) a detailed plan, with timelines, for the operator of the terminal or oil refinery to transition to firefighting foam that does not contain intentionally added PFAS chemicals for that specific use; and

(4) a plan for meeting the requirements under subdivision 3.

(c) The state fire marshal must ensure there is an opportunity for public comment during the waiver process. The state fire marshal must consider both information provided by the applicant and information provided through public comment when making a decision on whether to grant a waiver. The term of a waiver must not exceed two years. The state fire marshal must not grant a waiver for a specific use if any other terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use. All waivers must expire by January 1, 2028. A person that anticipates applying for a waiver for a terminal or oil refinery must submit a notice of intent to the state fire marshal by January 1, 2025, in order to be considered for a waiver beyond January 1, 2026. The state fire marshal must notify the waiver applicant of a decision within six months of the waiver submission date.

(d) The state fire marshal must provide an applicant for a waiver under this subdivision an opportunity to:

(1) correct deficiencies when applying for a waiver; and

(2) provide evidence to dispute a determination that another terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use, including evidence that the specific use is different.

Subd. 3. **Use requirements.** (a) A person that uses class B firefighting foam containing intentionally added PFAS chemicals under this section must:

(1) implement tactics that have been demonstrated to prevent release directly to the environment, such as to unsealed ground, soakage pits, waterways, or uncontrolled drains;

(2) attempt to fully contain all firefighting foams with PFAS on-site using demonstrated practices designed to contain all PFAS releases;

(3) implement containment measures such as bunds and ponds that are controlled, are impervious to PFAS chemicals, and do not allow fire water, wastewater, runoff, and other wastes to be released to the environment, such as to soils, groundwater, waterways, or stormwater; and

(4) dispose of all fire water, wastewater, runoff, impacted soils, and other wastes in a way that prevents releases to the environment.

(b) A terminal or oil refinery that has received a waiver under this section may provide and use class B firefighting foam containing intentionally added PFAS chemicals in the form of mutual aid to another terminal or oil refinery at the request of authorities only if the other terminal or oil refinery also has a waiver.

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

Sec. 68. **TRANSFER OF DUTIES; FARMED WHITE-TAILED DEER.**

(a) Responsibility for administering and enforcing the statutes and rules listed in clauses (1) and (2) for farmed white-tailed deer are, except as provided in paragraph (c), transferred pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the commissioner of natural resources:

(1) Minnesota Statutes, sections 35.153 to 35.156; and

(2) Minnesota Rules, parts 1721.0370 to 1721.0420.

(b) The Board of Animal Health retains responsibility for administering and enforcing the statutes and rules listed in paragraph (a), clauses (1) and (2), for all other farmed Cervidae.

(c) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of personnel will not take place. The commissioner of natural resources may contract with the Board of Animal Health for any veterinary services required to administer this program.

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

Sec. 69. **TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.**

The commissioner of natural resources must not renew or transfer a turtle seller's license after the effective date of this section.

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

Sec. 70. **UPPER SIOUX AGENCY STATE PARK; LAND TRANSFER.**

(a) The commissioner of natural resources must convey for no consideration all state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper Sioux Community. By September 15, 2023, the commissioner must identify all state-owned land within Upper Sioux Agency State Park and any funding restrictions or other legal barriers to conveying the land. Lands without restrictions or barriers to being conveyed must be conveyed to the Upper Sioux Community by December 1, 2023.

(b) By December 15, 2023, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources that identifies all barriers to conveying land within Upper Sioux Agency State Park and

recommendations for addressing those barriers, including any legislation needed to eliminate those barriers.

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

Sec. 71. **WHITE BEAR LAKE AREA WATER-USE STAKEHOLDER GROUP.**

The commissioner of natural resources must convene a group of stakeholders to advise the commissioner and the legislature on options for ensuring communities in the White Bear Lake area have access to sufficient safe drinking water to allow for municipal growth while simultaneously ensuring the sustainability of surface water and groundwater sources to supply the needs of future generations. By March 1, 2024, the commissioner must report any recommendations of the stakeholder group to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

Sec. 72. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 68. The revisor must also change the responsible agency, remove obsolete language, and make necessary cross-reference changes consistent with section 68 and the renumbering.

Sec. 73. **REPEALER.**

(a) Minnesota Statutes 2022, sections 103C.501, subdivisions 2 and 3; 115.44, subdivision 9; 116.011; 325E.389; and 325E.3891, are repealed.

(b) Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4 and 5; 8400.0900, subparts 1, 2, 4, and 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; and 8400.1900, are repealed.

(c) Minnesota Statutes 2022, sections 35.155, subdivision 14; 86B.101; 86B.305; and 86B.313, subdivisions 2 and 3, are repealed.

(d) Minnesota Statutes 2022, section 97C.605, subdivisions 2, 2a, 2b, and 5, are repealed.

(e) Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

EFFECTIVE DATE. Paragraph (c) is effective July 1, 2025. Paragraphs (d) and (e) are effective January 1, 2024.

ARTICLE 3

STATE LANDS

Section 1. Minnesota Statutes 2022, section 84.66, subdivision 7, is amended to read:

Subd. 7. **Landowner responsibilities.** The commissioner may enroll eligible land in the program by signing an easement in recordable form with a landowner in which the landowner agrees to:

(1) convey to the state a permanent easement that is not subject to any prior title, lien, or encumbrance, except for preexisting easements that are acceptable to the commissioner; and

(2) manage the land in a manner consistent with the purposes for which the land was selected for the program and not convert the land to other uses.

Sec. 2. **ADDITIONS TO STATE PARKS.**

Subdivision 1. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The following area is added to Frontenac State Park, Goodhue County:

That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, and that part of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast corner of the Southeast Quarter of said Section 10; thence southerly on an assumed azimuth from North of 189 degrees 34 minutes 33 seconds, along the east line of the Southeast Quarter of said Section 10, a distance of 1,100.31 feet; thence westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 300.00 feet; thence easterly 100 degrees 22 minutes 46 seconds azimuth, a distance of 286.97 feet to the centerline of County Road Number 2, as now located and established; thence southerly and southwesterly, along said centerline, to the intersection with a line drawn southerly 160 degrees 42 minutes 19 seconds azimuth from the point of beginning; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 51.66 feet to the point of beginning.

EXCEPT the following described premises:

Part of the Northeast Quarter of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 6 on the plat designated as Goodhue County Right-of-Way Plat No. 23 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

ALSO EXCEPT the following:

Part of the Northwest Quarter of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 1 on the plat designated as Goodhue County Highway Right-Of-Way Plat No. 24 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

Subd. 2. [85.012] [Subd. 60.] William O'Brien State Park, Washington County. The following area is added to William O'Brien State Park, Washington County:

The South Half of the Northwest Quarter, except the East 2 rods thereof, Section 25, Township 32, Range 20.

Sec. 3. **ADDITION TO STATE FOREST.**

[89.021] [Subd. 42a.] Riverlands State Forest. Those parts of St. Louis County described as follows are added to Riverlands State Forest:

That part of Government Lot 8, Section 30, Township 51 North, Range 19, St. Louis County, Minnesota, lying northwesterly of the railroad right-of-way.

Sec. 4. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; AITKIN COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Aitkin County and is described as:

The West 16.25 feet of that part of the 32.50-foot-wide road, as delineated on the Plat of Sugar Lake Addition, according to the plat of record and on file in the Office of the County Recorder in and for Aitkin County, Minnesota lying northerly of the following described line: Commencing at the iron monument at the southwest corner of Section 2, Township 45, Range 25, said Aitkin County, Minnesota; thence North 0 degrees 00 minutes 23 seconds West, assumed bearing, 2,020.36 feet along the west line of said Section 2 to the point of beginning of the line to be described; thence North 89 degrees 59 minutes 37 seconds East 32.50 feet to the west line of Lot 1 said Sugar Lake Addition and said line there terminating.

(d) The land borders Sugar Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 5. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

All that part of Government Lot 2, Section 12, Township 139 North, Range 40 West of the 5th P.M., bounded by the water's edge of Cotton Lake and the following described lines: Commencing at the North quarter corner of said Section 12, from which the northwest corner of said section bears North 90 degrees 00 minutes West; thence South 00 degrees 00 minutes East, 325.0 feet; thence North 90 degrees 00 minutes East, 72.0 feet to the point of beginning and the centerline of County State-Aid Highway No. 29; thence South 25 degrees 52 minutes East, 222.27 feet along the centerline of said highway; thence North 90 degrees 00 minutes West, 284.0 feet, more or less, to the water's edge of Cotton Lake and there terminating; and from the point of

beginning, North 90 degrees 00 minutes West, 249.1 feet, more or less, to the water's edge of Cotton Lake and there terminating.

(d) The land borders Cotton Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 6. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

Lot 1, Pearl Hill, according to the certified plat on file and of record in the Office of the Register of Deeds in and for Becker County, Minnesota, and being a part of Government Lots 2 and 3, Section 13, Township 138 North, Range 42 West.

(d) The land borders Pearl Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 7. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; CROW WING COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Crow Wing County and is described as:

That part of Government Lot 2, Section 11, Township 44, Range 28, Crow Wing County, Minnesota, described as follows: Commencing at the southeast corner of said Government Lot 2; thence South 89 degrees 08 minutes 05 seconds West, assumed bearing along the south line of said Government Lot 2 a distance of 203.73 feet to the westerly right-of-way of State Highway No. 18; thence North 24 degrees 13 minutes 27 seconds West, along said westerly right-of-way 692.40 feet, to the point of beginning; thence continuing North 24 degrees 13 minutes 27 seconds West along said westerly right-of-way 70.31 feet; thence North 89 degrees 25 minutes 27 seconds West 90.00 feet; thence South 11 degrees 16 minutes 29 seconds East 87.00 feet; thence North

78 degrees 43 minutes 31 seconds East 103.84 feet to the point of beginning. Said parcel contains 0.17 acres of land, more or less, and is subject to existing easements of record.

(d) The tax parcel from which the land will be split borders Borden Lake, but the land to be sold does not border Borden Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 8. PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Itasca County and is described as: the Northwest Quarter of the Southeast Quarter, Section 25, Township 56, Range 25 (parcel identification number 02-025-4200).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 9. PUBLIC OR PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; KANDIYOHI COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public or private sale the surplus land that is described in paragraph (c), subject to the state's reservation of a perpetual flowage easement.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Kandiyohi County and is described as:

Lots 18 and 19 of First Addition to Walleye Beach, according to the plat thereof on file and of record in the Office of the Register of Deeds in and for Kandiyohi County, Minnesota.

(d) The land borders Florida Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 10. PRIVATE SALE OF TAX-FORFEITED LANDS; KOOCHICHING COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or any other law to the contrary, Koochiching County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Koochiching County and is described as:

That part of Lot 53, Plat of Riverview Acres, according to the recorded plat thereof on file in the Office of the County Recorder, Koochiching County, Minnesota, lying northwesterly of the following described line: Commencing at the northwest corner of said Lot 53; thence South 89 degrees 59 minutes 47 seconds East 31.00 feet along the north line of said Lot 53 to the point of beginning of the line to be described; thence South 67 degrees 10 minutes 42 seconds West 33.51 feet to the west line of said Lot 53 and there terminating. Said parcel contains 200 square feet, more or less.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 11. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 6, Block 12, Chambers First Division of Duluth (parcel number 010-0460-00660).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 12. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The West 3 feet of the North 20 feet of Lot 87, Block 75, Duluth Proper Third Division (parcel number 010-1310-01945).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 13. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 90, except the North 100 feet and except the East Half of the South 50 feet of Lot 90 and except the West 6 feet of the South 50 feet of the West Half of Lot 90, Block 75, Duluth Proper Third Division (parcel number 010-1310-02125).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 14. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Block 11, Endion Park Division of Duluth (parcel number 010-1490-00860).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 15. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lots 52, 54, and 56, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01260);

(2) Lots 58 and 60, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01290);

(3) Lots 21 thru 39, odd numbers, and Lot 41 except the North 52 feet, and except the North 52 feet of Lots 43, 45, and 47, and Lots 49 and 51 except that part lying North of a line drawn from a point on the westerly line of Lot 49 and 52 feet South of the northwest corner to a point on the

easterly line of Lot 51 38.1 feet South of the northeast corner, and all of Lots 53, 55, 57, and 59, and except that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39, and except the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and except that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning, and except Lot 59, and except that part of Lots 25, 27, 29, 31, 33, 35, 37, and 39 lying southerly of a line run parallel with and distant 20 feet southerly of the following described line: beginning at a point on the west line of Lot 21, distant 13.56 feet South of the northwest corner thereof; thence southeasterly to a point on the east line of said Lot 39, distant 54.83 feet South of the northeast corner thereof and there terminating, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00290); and

(4) that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39 and the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning, and Lot 59, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00291).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 16. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

- (1) Lot 28, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01140);
 - (2) Lot 30, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01150);
 - (3) Lot 32, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01160);
 - (4) Lot 34, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01170);
 - (5) Lot 36, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01180);
 - (6) Lot 38, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01190);
 - (7) Lots 40 thru 48, even numbered lots, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01200); and
 - (8) Lot 50, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01250).
- (d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 17. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The South Half of Section 31, Township 50, Range 20, Town of Fine Lakes (part of parcel number 355-0010-04960).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 18. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Sherburne County and is described as:

That part of Government Lot 6, Section 31, Township 34 North, Range 27 West, Sherburne County, Minnesota, described as follows: Commencing at the most northerly corner of Outlot

A, Eagle Lake Estates, according to the plat thereof on file and of record in the Office of the County Recorder in and for Sherburne County, Minnesota, being an existing iron monument with an aluminum cap stamped "Judicial Landmark 16095" (JLM); thence southwesterly 146.20 feet along the easterly line of said Outlot A on a curve concave to the southeast, having a central angle of 14 degrees 41 minutes 15 seconds, radius of 570.32 feet, and a chord bearing of South 29 degrees 12 minutes 20 seconds West, to a JLM; thence South 21 degrees 51 minutes 43 seconds West, along said easterly line, 196.53 feet to the point of beginning; thence continuing South 21 degrees 51 minutes 43 seconds West, along said easterly line, 35.00 feet to a JLM; thence South 89 degrees 38 minutes 17 seconds East, along the northerly line of said Outlot A, 87 feet, more or less, to the water's edge of Eagle Lake; thence northerly along said water's edge, 45 feet, more or less, to a line bearing North 80 degrees 55 minutes 20 seconds East from the point of beginning; thence South 80 degrees 55 minutes 20 seconds West 70 feet, more or less, to the point of beginning.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 19. **EFFECTIVE DATE.**

Sections 11 to 18 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources; modifying environment and natural resources provisions; modifying commissioner's duties; modifying provisions for water and soil conservation; prohibiting lead and cadmium in certain consumer products; modifying farmed Cervidae provisions; modifying report requirements; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, by adding subdivisions; 84.415, subdivision 3; 84.66, subdivision 7; 86B.313, subdivision 4; 97A.465, subdivisions 3, 8; 97A.475, subdivision 41; 97C.605, subdivisions 1, 2c, 3; 97C.611; 103B.101, subdivisions 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6; 103D.605, subdivision 5; 103F.505; 103F.511, by adding a subdivision; 115.01, by adding subdivisions; 115.03, subdivision 1; 115A.1415; 115A.49; 115A.51; 115A.54, subdivisions 1, 2, 2a; 115A.565, subdivisions 1, 3; 116.07, subdivision 6; 171.07, by adding a subdivision; 297A.94; 325F.072, subdivisions 1, 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 86B; 103B; 103F; 103G; 116; 325E; repealing Minnesota Statutes 2022, sections 35.155, subdivision 14; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 325E.389; 325E.3891; Minnesota Rules, parts 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900."

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

Senator Fateh from the Committee on Higher Education, to which was referred

S.F. No. 2075: A bill for an act relating to higher education; providing funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain scholarships and student aid programs; creating a direct admissions program; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 136A.101, subdivisions 5a, 7; 136A.121, subdivisions 6, 9, 13; 136A.1241, subdivision 5; 136A.125, subdivision 4; 136A.126, subdivision 4; 136A.1312; 136A.1796; 136A.246, subdivisions 5, 6, 8; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **MINNESOTA OFFICE OF HIGHER EDUCATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>338,507,000</u>	<u>\$</u>	<u>505,219,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. State Grants</u>		<u>236,717,000</u>		<u>229,046,000</u>
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(a) If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

(b) The base for this appropriation is \$225,066,000 for fiscal year 2026 and later.

Subd. 3. <u>Child Care Grants</u>	<u>6,694,000</u>	<u>6,694,000</u>
Subd. 4. <u>State Work-Study</u>	<u>14,502,000</u>	<u>14,502,000</u>
Subd. 5. <u>Interstate Tuition Reciprocity</u>	<u>8,500,000</u>	<u>8,500,000</u>

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 6. <u>Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
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This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. <u>American Indian Scholarships</u>	<u>3,500,000</u>	<u>3,500,000</u>
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The commissioner must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. This appropriation includes funding to administer the American Indian scholarship program.

Subd. 8. <u>Tribal College Grants</u>	<u>3,150,000</u>	<u>3,150,000</u>
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(a) For Tribal college assistance grants under Minnesota Statutes, section 136A.1796.

(b) In addition to grants made pursuant to Minnesota Statutes, section 136A.1796, the commissioner shall use this appropriation to make grants of \$1,000,000 each to Leech Lake Tribal College, White Earth Tribal College, and Red Lake Nation Tribal College, to be used for the Tribal colleges'

general operations and maintenance expenses. A Tribal college must use grant funds received under this section to supplement, not supplant, any existing funding. By September 30, 2024, each Tribal college receiving a grant under this paragraph must submit a report to the commissioner of the Office of Higher Education and to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include an accurate and detailed account of how the funds were spent, and a copy of the college's most recent audit report.

(c) The commissioner may use no more than three percent of this appropriation to administer the program grants.

Subd. 9. Intervention for College Attendance Program Grants

1,942,000

1,142,000

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

\$300,000 in fiscal year 2024 is for providing onetime catalyst funding on a competitive basis to postsecondary institutions, nonprofit organizations, and local government organizations to create or enhance supports, navigation, and precollege services for students who were formerly incarcerated.

The commissioner may use no more than three percent of this appropriation to administer the intervention for college attendance program grants.

Subd. 10. Student-Parent Information

122,000

122,000

Subd. 11. Get Ready!

180,000

180,000

Subd. 12. Minnesota Education Equity Partnership

45,000

45,000

Subd. 13. Midwest Higher Education Compact

115,000

115,000

Subd. 14. United Family Medicine Residency Program

501,000

501,000

For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 21 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.

Subd. 15. <u>MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>
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Subd. 16. <u>Statewide Longitudinal Education Data System</u>	<u>2,550,000</u>	<u>2,550,000</u>
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Subd. 17. <u>Hennepin Healthcare</u>	<u>645,000</u>	<u>645,000</u>
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For transfer to Hennepin Healthcare for graduate family medical education programs at Hennepin Healthcare.

Subd. 18. <u>College Possible</u>	<u>550,000</u>	<u>550,000</u>
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(a) This appropriation is for immediate transfer to College Possible to support programs of college admission and college graduation for low-income students through an intensive curriculum of coaching and support at both the high school and postsecondary levels.

(b) This appropriation must, to the extent possible, be proportionately allocated between students from greater Minnesota and students in the seven-county metropolitan area.

(c) This appropriation must be used by College Possible only for programs supporting students who are residents of Minnesota and attending colleges or universities within Minnesota.

(d) By February 1 of each year, College Possible must report to the chairs and ranking minority members of the legislative

committees and divisions with jurisdiction over higher education and E-12 education on activities funded by this appropriation. The report must include but is not limited to information about the work of College Possible Minnesota throughout the state; the number of College Possible coaches hired; the number of existing partner high schools; the geographic distribution of participants; the number of high school and college students specifically supported by the appropriations funds; the percentages of students who applied to college, were admitted into college, and enrolled in college from the previous program year; the number of college graduates supported by the appropriation funding in the previous program year; and a list of all communities and partner institutions benefiting from coaching and support through College Possible programming.

(e) The base is \$0 for fiscal year 2026 and thereafter.

Subd. 19. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program

3,000,000

3,000,000

For transfer to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1.

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the grant program.

Subd. 20. Summer Academic Enrichment Program

750,000

750,000

For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

The commissioner may use no more than three percent of this appropriation to administer the grant program under this subdivision. The base is \$250,000 for fiscal year 2026 and thereafter.

Subd. 21. Dual Training Competency Grants; Office of Higher Education4,132,0004,132,000

For transfer to the Dual Training Competency Grants account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10. The base for this transfer is \$2,132,000 for fiscal year 2026 and thereafter. \$132,000 each year is for transfer to the Department of Labor and Industry.

Subd. 22. Campus Sexual Assault Reporting25,00025,000

For the sexual assault reporting required under Minnesota Statutes, section 135A.15.

Subd. 23. Campus Sexual Violence Prevention and Response Coordinator150,000150,000

For the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and guidance on best practices for postsecondary institutions. \$50,000 each year is for administrative funding to conduct trainings and provide materials to postsecondary institutions.

Subd. 24. Emergency Assistance for Postsecondary Students7,550,0007,550,000

(a) \$7,550,000 the first year and \$7,550,000 the second year are for emergency assistance for postsecondary students. Of this appropriation:

(1) \$5,000,000 the first year and \$5,000,000 the second year are for the Minnesota State Colleges and Universities for direct emergency grants to students;

(2) \$2,000,000 the first year and \$2,000,000 the second year are for the University of Minnesota for direct emergency grants to students;

(3) \$500,000 the first year and \$500,000 the second year are for the Office of Higher Education to allocate emergency grant funds

to Minnesota Tribal Colleges and eligible nonprofit institutions as defined under Minnesota Statutes, section 136A.103, located in Minnesota with a demonstrable homeless student population. The Office of Higher Education shall develop a plan to distribute funds to institutions and provide guidance as to how grants are disbursed to students. The commissioner shall determine the application process and the grant amounts; and

(4) \$50,000 per year may be used by the commissioner for the administrative costs associated with this section.

(b) The funds must be used for emergency grants to students to meet immediate student needs that could result in a student not completing the term or their program including, but not limited to, emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.

(c) The commissioner must not distribute the funds under this section until the Office of Higher Education has worked with the institutions and approved their plans for the distribution of the grants to students and the method of their reporting requirements.

(d) At the end of each biennium, institutions must return any unused funds to the Office of Higher Education.

Subd. 25. Grants to Student Teachers in Shortage Areas

500,000

500,000

For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.

The commissioner may use no more than three percent of the appropriation for administration of the program.

<u>Subd. 26. Grants to Underrepresented Student Teachers</u>	<u>1,125,000</u>	<u>1,125,000</u>
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For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.

The commissioner may use no more than three percent of the appropriation for administration of the program.

<u>Subd. 27. Teacher Shortage Loan Repayment</u>	<u>1,075,000</u>	<u>1,075,000</u>
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For transfer to the teacher shortage loan repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the program. The base is \$200,000 for fiscal year 2026 and thereafter.

<u>Subd. 28. Large Animal Veterinarian Loan Forgiveness Program</u>	<u>375,000</u>	<u>375,000</u>
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For transfer to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2.

<u>Subd. 29. Agricultural Educators Loan Forgiveness</u>	<u>50,000</u>	<u>50,000</u>
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For transfer to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2.

<u>Subd. 30. Aviation Degree Loan Forgiveness Program</u>	<u>25,000</u>	<u>25,000</u>
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For transfer to the aviation degree loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1789, subdivision 2.

<u>Subd. 31. Grants for Students with Intellectual and Developmental Disabilities</u>	<u>200,000</u>	<u>200,000</u>
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For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.

Subd. 32. <u>Loan Repayment Assistance Program</u>	<u>55,000</u>	<u>55,000</u>
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For a grant to the Loan Repayment Assistance Program of Minnesota to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for this work.

Subd. 33. <u>Minnesota Independence College and Community</u>	<u>2,000,000</u>	<u>2,000,000</u>
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For a grant to Minnesota Independence College and Community for need-based scholarships and tuition reduction. Beginning with students first enrolled in the fall of 2019, eligibility is limited to resident students as defined in Minnesota Statutes, section 136A.101, subdivision 8. This is a onetime appropriation and is available until June 30, 2027.

Subd. 34. <u>Student Loan Debt Counseling</u>	<u>200,000</u>	<u>200,000</u>
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For student loan debt counseling under Minnesota Statutes, section 136A.1788.

The Office of Higher Education may use no more than three percent of the appropriation to administer the student loan debt counseling program.

Subd. 35. <u>Hunger-Free Campus Grants</u>	<u>1,500,000</u>	<u>1,000,000</u>
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(a) \$1,000,000 the first year and \$1,000,000 the second year are for the Hunger-Free Campus program under Minnesota Statutes, section 135A.137.

(b) \$500,000 the first year is for grants not to exceed \$25,000 to institutions for equipment necessary to operate an on-campus food pantry. The commissioner shall establish an application and process for distributing the grant funds. This appropriation is available until June 30, 2026.

Subd. 36. Fostering Independence Higher Education Grants

4,747,000

4,916,000

(a) \$500,000 the first year and \$500,000 the second year are for a grant to the Foster Advocates Nonprofit Organization for an education support and wraparound service program that provides assistance and support to individuals who were in foster care at the age of 13 or later, and for individuals who are transitioning from foster care to adulthood, up to age 27, to improve the likelihood of completing a degree and securing a stable career. The program shall provide one-on-one mentoring, leadership development, and additional resources to support each student's education journey through high school graduation and institutions of higher education. This is a onetime appropriation.

(b) \$4,247,000 the first year and \$4,416,000 the second year are for grants to eligible students under Minnesota Statutes, section 136A.1241. The base under this paragraph is \$4,416,000 for fiscal year 2026 and thereafter. The Office of Higher Education may use no more than three percent of the appropriation to administer grants.

Subd. 37. Concurrent Enrollment Grants

340,000

340,000

For concurrent enrollment grants under Minnesota Statutes, section 136A.91.

Subd. 38. Student Parent Support Initiative

6,668,000

6,182,000

(a) \$6,330,000 the first year and \$5,844,000 the second year are for grants to support student parents under Minnesota Statutes, section 136A.1251. This is a onetime appropriation. These appropriations are available until June 30, 2026.

(b) \$338,000 the first year and \$338,000 the second year are for administrative and promotion costs. The base is \$338,000 for fiscal year 2026 and 2027 for the appropriation under this paragraph.

Subd. 39. <u>Director of Tribal Relations</u>	<u>134,000</u>	<u>143,000</u>
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Subd. 40. <u>Direct Admissions Program</u>	<u>500,000</u>	<u>500,000</u>
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For the direct admissions program under Minnesota Statutes, section 136A.84.

Subd. 41. <u>American Indian Scholars</u>	<u>8,500,000</u>	<u>8,500,000</u>
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To support implementation of Minnesota Statutes, section 135A.121.

\$4,032,000 in fiscal year 2024 and \$4,032,000 in fiscal year 2025 are for transfer to the Board of Regents of the University of Minnesota.

\$4,468,000 in fiscal year 2024 and \$4,468,000 in fiscal year 2025 are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 42. <u>Higher Education Public Service Feasibility Study</u>	<u>75,000</u>	<u>-0-</u>
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For the commissioner of the Office of Higher Education to conduct a feasibility study on creating and implementing a Minnesota service initiative. By October 31, 2023, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the feasibility of creating and implementing a Minnesota service initiative to increase student civic engagement. The report must include but is not limited to information about the program design, implementation challenges and recommendations, outcomes, and the feasibility of scaling the program over time.

Subd. 43. <u>Child Development Associate Pathway</u>	<u>475,000</u>	<u>-0-</u>
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For transfer to the Board of Trustees of the Minnesota State Colleges and Universities to develop a transparent pathway for current child development associate credential holders to be awarded academic credit that aligns with related academic certificate, diploma, and degree programs. Funds must

be used to develop curriculum at eight colleges and universities, develop training and advising tools for those institutions, and form a statewide advisory committee to advise the project development.

Subd. 44. Minnesota Commitment to Higher Education

496,000

177,105,000

(a) \$176,903,000 the second year is transferred from the general fund to the account in the special revenue fund under Minnesota Statutes, section 136A.1465, subdivision 6. The base for the transfer under this paragraph is \$49,306,000 in fiscal year 2026 and thereafter.

(b) \$496,000 the first year and \$202,000 the second year are appropriated from the general fund to the commissioner of the Office of Higher Education for administrative and promotion expenses to implement and direct the scholarship awards under Minnesota Statutes, section 136A.1465.

Subd. 45. Inclusive Higher Education Technical Assistance Center

1,000,000

1,000,000

(a) \$250,000 the first year and \$250,000 the second year are to enter into a contract establishing the Inclusive Higher Education Technical Assistance Center under Minnesota Statutes, section 135A.161.

(b) \$750,000 the first year and \$750,000 the second year are transferred from the general fund to the inclusive higher education grant account under Minnesota Statutes, section 135A.162, subdivision 4. Up to five percent of the transfer can be used for administrative expenses.

Subd. 46. Postsecondary Student Basic Needs Working Group

44,000

-0-

\$44,000 the first year is to administer the postsecondary student basic needs working group under article 2, section 27, and provide stipends to participants of the working group who are students. A student participant must

receive a stipend, as determined by the commissioner, for each meeting the student attends. This is a onetime appropriation.

Subd. 47. Minnesota Association of Black Lawyers

350,000

350,000

(a) \$350,000 in fiscal year 2024 and \$350,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of the Office of Higher Education for a grant to the Minnesota Association of Black Lawyers to be used for a pilot program supporting black undergraduate students pursuing admission to law school in Minnesota. This is a onetime appropriation.

(b) The pilot program under paragraph (a) must:

(1) enroll an initial cohort of ten to 20 black Minnesota resident students attending a baccalaureate degree-granting postsecondary institution in Minnesota full time;

(2) support each of the program's students with an academic scholarship in the amount of \$4,000 per academic year;

(3) organize events and programming, including but not limited to one-on-one mentoring, to familiarize enrolled students with law school and legal careers; and

(4) provide the program's students free test preparation materials, academic support, registration for the Law School Admission Test (LSAT) examination, and submission of test results to law schools in Minnesota.

(c) The Minnesota Association of Black Lawyers may use grant funds under paragraph (a) for costs related to:

(1) student scholarships;

(2) academic events and programming, including food and transportation costs for students;

(3) LSAT preparation materials, courses, registrations, and submission of test results to law schools in Minnesota; and

(4) hiring staff for the program.

(d) By January 30, 2025, and again by January 30, 2026, the Minnesota Association of Black Lawyers must submit a report to the commissioner of the Office of Higher Education and to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include an accurate and detailed account of the pilot program, its outcomes, and its revenues and expenses, including the use of all state funds appropriated in paragraph (a).

Subd. 48. Report on Minnesota State Colleges and Universities Course Placement Practices

250,000

-0-

\$250,000 the first year is for the purposes of creating a report on Minnesota State Colleges and Universities placement practice under article 2, section 28. This is a onetime appropriation.

Subd. 49. Agency Administration

6,498,000

6,724,000

The base amount for this appropriation for fiscal years 2026 and later is \$6,096,000.

Subd. 50. Balances Forward

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 51. Transfers

The commissioner of the Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, the intervention for college

attendance appropriation, the student-parent information appropriation, the summer academic enrichment program appropriation, the public safety officers' survivors appropriation, and the fostering independence higher education grant program. The commissioner may transfer unencumbered balances from the hunger-free campus appropriations to the emergency assistance for postsecondary students grant. To the extent there is a projected surplus in the appropriation for either the student teachers in shortage areas grant program or the underrepresented student teacher grant program, the commissioner may transfer unencumbered balances between the two programs as needed to meet demand. Transfers from the child care, state work-study, or the hunger-free campus appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over higher education finance.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>932,265,000</u>	<u>\$</u>	<u>903,242,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Central Office and Shared Services Unit</u>		<u>35,401,000</u>		<u>36,401,000</u>
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For the Office of the Chancellor and the Shared Services Division.

<u>Subd. 3. Operations and Maintenance</u>		<u>877,749,000</u>		<u>847,726,000</u>
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(a) \$38,000,000 the first year and \$81,000,000 the second year are to stabilize system operations, maintain academic programs, and keep tuition affordable.

(b) This appropriation includes \$74,000,000 in fiscal year 2024 for onetime campus support. The Board of Trustees must allocate this amount to all colleges and universities based upon each institution's estimated tuition revenue loss due to declines in enrollment from fiscal year 2019 to fiscal year 2023, except that no institution shall receive an allocation less than \$300,000. This is a onetime appropriation. The base for this appropriation in fiscal year 2026 and later is \$0.

(c) \$5,700,000 in fiscal year 2024 and \$5,700,000 in fiscal year 2025 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least \$158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

(d) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.

(e) \$4,500,000 in fiscal year 2024 and \$4,500,000 in fiscal year 2025 are for workforce development scholarships under Minnesota Statutes, section 136F.38. The base amount for this appropriation for fiscal year 2026 and later is \$4,500,000.

(f) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students

served, credit hours delivered, and services provided to students.

(g) \$40,000 in fiscal year 2024 and \$40,000 in fiscal year 2025 to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

(h) \$9,000,000 in fiscal year 2024 and \$10,000,000 in fiscal year 2025 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services. The base for this appropriation in fiscal year 2026 and later is \$10,000,000.

(i) \$50,000 in fiscal year 2024 and \$50,000 in fiscal year 2025 to implement the Z-Degree program under Minnesota Statutes, section 136F.305.

(j) \$13,000,000 the first year and \$13,000,000 the second year are to expand student support services. This appropriation provides funding to campuses to address basic needs insecurity, mental health, and other high-need student support services by increasing the amount of available resources to students. In addition, this funding provides systemwide resources and coordination, including electronic connections for peer support and professional clinical support for mental health. These systemwide resources must be available online and via telephone and text, 24 hours a day, seven days a week. The base for the appropriation under this clause is \$5,000,000 for fiscal year 2026 and thereafter.

(k) \$172,000 in fiscal year 2024 and \$349,000 in fiscal year 2025 are for costs associated with the increased employer contribution rates for the Higher Education Individual Retirement Account Plan under Minnesota Statutes, section 354B.23, subdivision 3. The base for fiscal year 2026

is \$530,000 and for fiscal year 2027 and later is \$715,000.

(l) \$482,000 the first year and \$282,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products for purposes of Minnesota Statutes, section 135A.1365.

(m) The total operations and maintenance base is \$839,907,000 in fiscal year 2026 and \$840,092,000 in fiscal year 2027.

<u>Subd. 4. Learning Network of Minnesota</u>	<u>4,115,000</u>	<u>4,115,000</u>
<u>Subd. 5. Workforce Development</u>	<u>15,000,000</u>	<u>15,000,000</u>

(a) \$10,000,000 the first year and \$10,000,000 the second year are to upgrade college and university equipment and learning environments to provide students with state-of-the-art learning opportunities for career and technical education and to enhance applied research laboratories for interactive, hands-on, multidisciplinary approaches to science, technology, engineering, and math education. \$10,000,000 in fiscal year 2025 must be matched with cash or in-kind contributions from nonstate sources. This is a onetime appropriation and is available until June 30, 2026. Up to 1.5 percent of the appropriation may be used for administration of the program.

(b) \$5,000,000 the first year and \$5,000,000 the second year are to develop and expand industry sector programming to build capacity and support new and redesigned curricular options with an emphasis on offering students work-based learning experiences. \$5,000,000 in fiscal year 2025 must be matched with cash or in-kind contributions from nonstate sources. This is a onetime appropriation and is available until June 30, 2026. Up to 1.5 percent of the appropriation may be used for administration of the program.

Sec. 4. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>738,787,000</u>	<u>\$</u>	<u>738,523,000</u>
<u>Appropriations by Fund</u>				
	<u>2024</u>		<u>2025</u>	
<u>General</u>	<u>736,630,000</u>		<u>736,366,000</u>	
<u>Health Care Access</u>	<u>2,157,000</u>		<u>2,157,000</u>	

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

Subd. 2. Operations and Maintenance 646,192,000 655,928,000

(a) \$15,000,000 in fiscal year 2024 and \$15,000,000 in fiscal year 2025 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) \$7,800,000 in fiscal year 2024 and \$7,800,000 in fiscal year 2025 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) \$4,000,000 in fiscal year 2024 and \$4,000,000 in fiscal year 2025 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) \$374,000 the first year and \$110,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products for purposes of article 2, section 2.

(f) The total operations and maintenance base for fiscal year 2026 and later is \$665,928,000.

<u>Subd. 3. Primary Care Education Initiatives</u>	<u>2,157,000</u>	<u>2,157,000</u>
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This appropriation is from the health care access fund.

Subd. 4. Special Appropriations

<u>(a) Agriculture and Extension Service</u>	<u>42,922,000</u>	<u>42,922,000</u>
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For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and

forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2025, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences

29,204,000

9,204,000

(1) \$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical

Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(2) \$20,000,000 the first year is for programs at the University of Minnesota Medical School Campus on the CentraCare Health System Campus in St. Cloud. This appropriation may be used for tuition support, a residency program, a rural health research program, a program to target scholarships to students from diverse backgrounds, and a scholarship program targeted at students who will practice in rural areas. This appropriation is available June 30, 2027 and must be spent on the CentraCare Health System Campus in the greater St. Cloud area.

(c) College of Science and Engineering

1,140,000

1,140,000

For the geological survey and the talented youth mathematics program.

(d) System Special

9,181,000

9,181,000

(1) For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit. The base is \$8,181,000 for fiscal year 2026 and thereafter.

(2) \$4,000,000 in fiscal year 2024 and \$4,000,000 in fiscal year 2025 are for the Natural Resources Research Institute to invest in applied research in natural resource stewardship and economic development to attract and retain top talent; provide matching funds for federal grants; upgrade facilities, equipment, and training; and expand entrepreneurial support and outreach efforts. The base for fiscal year 2026 and later is \$3,000,000.

(e) University of Minnesota and Mayo Foundation Partnership

7,991,000

7,991,000

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2024 and \$7,491,000 in fiscal year 2025 are for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

Subd. 5. Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,250,000 each year.

Sec. 5. MAYO CLINIC

Subdivision 1. Total Appropriation

\$

1,799,000

\$

1,799,000

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

Subd. 2. Medical School

665,000

665,000

The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between each year of the biennium to accommodate enrollment fluctuations. It is intended that during the biennium the Mayo Clinic use the capitation money to increase

the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program

1,134,000

1,134,000

The state must pay stipend support for up to 27 residents each year.

ARTICLE 2

HIGHER EDUCATION PROVISIONS

Section 1. **[135A.121] AMERICAN INDIAN SCHOLARS.**

Subdivision 1. Establishment. The American Indian Scholars program is established to provide a first-dollar tuition and fee free pathway for eligible Minnesota American Indian students to complete an undergraduate education.

Subd. 2. Eligibility. To be eligible each year for the program a student must:

(1) be enrolled in an undergraduate certificate, diploma, or degree program at the University of Minnesota or a Minnesota state college or university;

(2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled member or citizen of a federally recognized American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident tuition status; and

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 180 credits or the equivalent, excluding courses taken that qualify as developmental education or below college-level.

Subd. 3. Administration. Minnesota State Colleges and Universities must and the University of Minnesota is requested to provide a full tuition and fee waiver to a student eligible under subdivision 2. Funds appropriated with reference to this section may be used to offset the institutional costs of the waivers; fund existing waivers, scholarships, or grant programs for students eligible under subdivision 2; provide student supports for eligible students; and administer these programs.

Subd. 4. Reports. (a) Each institution receiving funds under this section must annually report to the commissioner of the Office of Higher Education the following:

(1) how the systems or institutions have administered, distributed, and awarded the funds;

(2) enrollment and graduation data for all eligible students, including applicants and recipients of funds; and

(3) the aggregate awarded financial aid information for all recipients of funds under this program.

(b) Using the data submitted to the office by institutions pursuant to paragraph (a), as well as other data available to the office, the office shall provide the following on its website by placing a prominent link on its website home page:

(1) information made available in a searchable database, including but not limited to persistence and completion, debt of graduates, employment and wage information, and other relevant data for each institution subject to paragraph (a); and

(2) other information and links that are useful to students and parents who are in the process of selecting a college or university.

Sec. 2. **[135A.1365] ACCESS TO MENSTRUAL PRODUCTS.**

The Board of Trustees of the Minnesota State Colleges and Universities shall, and the Board of Regents of the University of Minnesota is requested to, provide students with access to menstrual products at no charge. The products must be available in restrooms used by students. For purposes of this section, "menstrual products" means pads, tampons, or other similar products used in connection with the menstrual cycle.

Sec. 3. Minnesota Statutes 2022, section 135A.137, subdivision 2, is amended to read:

Subd. 2. **Designation approval.** ~~(a) The statewide student associations representing the state community and technical colleges and the state universities student advisory council under section 136A.031 shall create an application process and an award for institutions applying for grant funds. The student advisory council shall review applications and provide make recommendations to the commissioner. The commissioner shall have final approval for the designation at each state college and university, respectively and the award amount.~~

~~(b) The University of Minnesota Student Association at each institution shall create an application process and an award and provide final approval for the designation at each University of Minnesota institution.~~

~~(c) The Minnesota Association of Private College Students and the Student Advisory Council member representing Tribal colleges pursuant to section 136A.031, subdivision 3, shall create an application process and an award and provide final approval for the designation at each nonprofit degree-granting institution.~~

Sec. 4. Minnesota Statutes 2022, section 135A.137, subdivision 3, is amended to read:

Subd. 3. **Competitive grant.** (a) Institutions eligible for a grant under this subdivision include public postsecondary institutions, nonprofit private postsecondary institutions, and Tribal colleges.

(b) The commissioner shall establish a competitive grant program to distribute grants to eligible institutions to meet and maintain the requirements under subdivision 1, paragraph (a). Initial grants shall be made to institutions that have not earned the designation and demonstrate a need for funding to meet the hunger-free campus designation requirements. Sustaining grants shall be made to institutions that have earned the designation and demonstrate both a partnership with a local food bank or organization that provides regular, on-campus food distributions and a need for funds to maintain the requirements under subdivision 1, paragraph (a).

(c) The commissioner shall give preference to applications for initial grants and to applications from institutions with the highest number of federal Pell Grant eligible students enrolled. The commissioner shall consider the head count at the institution when awarding grants. The maximum

grant award for an initial institution designation is ~~\$8,000~~ \$25,000. The maximum grant award for sustaining an institution designation is ~~\$5,000~~ \$15,000.

(d) The commissioner, in collaboration with student associations representing eligible institutions, shall create an application process and establish selection criteria for awarding the grants.

(e) No more than 20 percent of the total grant awards each fiscal year shall be for grants to nonprofit private postsecondary institutions.

Sec. 5. [135A.161] INCLUSIVE HIGHER EDUCATION TECHNICAL ASSISTANCE CENTER.

Subdivision 1. Definitions. (a) For purposes of this section and section 135A.162, the following terms have the meanings given.

(b) "Center" means the Inclusive Higher Education Technical Assistance Center.

(c) "Commissioner" means the commissioner of the Office of Higher Education.

(d) "Comprehensive transition and postsecondary program for students with intellectual disabilities" means a degree, certificate, or nondegree program that is offered by an institution of higher education for students with intellectual disabilities and approved by the United States Department of Education.

(e) "Director" means the director of the Inclusive Higher Education Technical Assistance Center.

(f) "Inclusive higher education" means institution-approved access to higher education for students with an intellectual disability that allows for the same rights, privileges, experiences, benefits, and outcomes that result from a college experience the same as a matriculating student, resulting in a meaningful credential conferred by the institution of higher education. Inclusive higher education includes:

(1) academic access and inclusive instruction;

(2) person-centered planning;

(3) career development;

(4) campus engagement;

(5) self-determination;

(6) paid internships and employment;

(7) on- or off-campus living, when available to other students;

(8) campus community clubs, events, and activity participation;

(9) peer mentors and support; and

(10) a degree, certificate, or nondegree credential.

(g) "National Coordinating Center" means the federally funded National Coordinating Center, as identified in United States Code, title 20, section 1140q, that provides training and technical assistance supporting evidence-based and student-centered research and practice for inclusive higher education initiatives for students with intellectual disabilities.

(h) "Office" means the Office of Higher Education.

(i) "Student with an intellectual disability" means a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231.

Subd. 2. **Establishment.** The commissioner must contract with the Institute on Community Integration at the University of Minnesota to establish the Inclusive Higher Education Technical Assistance Center. The purpose of the center is to increase access to self-sustaining postsecondary education options across Minnesota for students with an intellectual disability to earn meaningful credentials through degree, certificate, and nondegree initiatives leading to competitive integrated employment, genuine community membership, and more independent living. The center must:

(1) coordinate and facilitate the statewide initiative to expand and enhance inclusive higher education opportunities;

(2) provide expertise in inclusive higher education for students with an intellectual disability;

(3) provide technical assistance:

(i) to Minnesota institutions of higher education;

(ii) to local education agencies; and

(iii) as requested by the commissioner; and

(4) provide information to students with intellectual disabilities and their families.

Subd. 3. **Director; advisory committee.** (a) The center must name a director.

(b) The center must make hiring decisions based on the Institute on Community Integration's values of diversity and inclusion of staff with disabilities.

(c) The director must appoint an advisory committee and seek the committee's review and recommendations on broad programmatic direction. The advisory committee must be composed of 50 percent students with an intellectual disability. The remaining positions must be filled by family members, key stakeholders, and allies. The director must convene the advisory committee at least quarterly. The advisory committee shall:

(1) review and recommend inclusive higher education offerings;

(2) review and recommend updates to state policy and practice;

(3) document existing and potential funding sources; and

(4) identify obstacles and barriers to students with an intellectual disability to access inclusive higher education opportunities.

Subd. 4. **Responsibilities.** (a) The center must advise and offer technical assistance to all Minnesota institutions of higher education planning or offering an inclusive higher education initiative to operate in accordance with federal requirements, the model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities, and guiding principles for inclusive higher education as developed by the National Coordinating Center.

(b) The center must monitor federal and state law related to inclusive higher education and notify the governor, the legislature, and the Office of Higher Education of any change in law which may impact inclusive higher education.

(c) The center must provide technical assistance to institutions of higher education, administrators, faculty, and staff by:

(1) offering institution faculty and staff training and professional development to start, operate, or enhance their inclusive higher education initiative;

(2) providing faculty and staff with information, training, and consultation on the comprehensive transition and postsecondary program requirements, model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities, and guiding principles;

(3) organizing and offering learning community events, an annual inclusive higher education conference and community of practice events to share best practices, provide access to national experts, and address challenges and concerns;

(4) assisting institutions of higher education with identifying existing or potential funding sources for the institution of higher education, student financial aid, and funding for students with an intellectual disability; and

(5) advising faculty and staff with an inclusive higher education option of specific grant applications and funding opportunities.

(d) The center must disseminate information to students with an intellectual disability, their parents, and local education agencies, including but not limited to information about:

(1) postsecondary education options, services, and resources that are available at inclusive institutions of higher education;

(2) technical assistance and training provided by the center, the National Coordinating Center, and key stakeholder organizations and agencies; and

(3) mentoring, networking, and employment opportunities.

Sec. 6. [135A.162] INCLUSIVE HIGHER EDUCATION GRANTS.

Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education in collaboration with the director of the Inclusive Higher Education Technical Assistance Center must establish a competitive grant program for Minnesota institutions of higher education to develop new

or enhance existing inclusive higher education initiatives to enroll or increase enrollment of students with an intellectual disability. The commissioner and director must collaborate to establish the grant program framework, including:

- (1) minimum grant requirements;
- (2) application format;
- (3) criteria for evaluating applications;
- (4) grant selection process;
- (5) milestones and accountability; and
- (6) reporting.

(b) The commissioner must send a description of the competitive grants, including materials describing the grant purpose and goals, an application, compliance requirements, and available funding to each institution of higher education that meets the requirements of subdivision 2, clauses (1) and (2).

Subd. 2. **Eligible grantees.** A public or nonprofit postsecondary two-year or four-year institution is eligible to apply for a grant under this section if the institution:

- (1) is accredited by the Higher Learning Commission; and
- (2) meets the eligibility requirements under section 136A.103.

Subd. 3. **Application.** (a) Applications must be made to the commissioner on a form developed and provided by the commissioner. The commissioner must, to the greatest extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner must establish a schedule for applications and grants. The application must include without limitation a written plan to develop or enhance a sustainable inclusive higher education initiative that:

(1) offers the necessary supports to students with an intellectual disability to access the same rights, privileges, experiences, benefits, and outcomes of a typically matriculating student;

(2) includes the development of a meaningful credential for students with an intellectual disability to attain upon successful completion of the student's postsecondary education;

(3) adopts admission standards that do not require a student with an intellectual disability to complete a curriculum-based, achievement college entrance exam that is administered nationwide;

(4) ensures that students with an intellectual disability:

(i) have access and choice in a wide array of academic courses to enroll in for credit or audit that align with the student's interest areas and are attended by students without disabilities;

(ii) have the option to live on or off campus in housing that is available to typically matriculating students;

(iii) have access and support for genuine membership in campus life, including events, social activities and organizations, institution facilities, and technology; and

(iv) are able to access and utilize campus resources available to typical matriculating students;

(5) provides students with an intellectual disability with the supports and experiences necessary to seek and sustain competitive integrated employment;

(6) develops and promotes the self-determination skills of students with an intellectual disability;

(7) utilizes peer mentors who support enrolled students with an intellectual disability in academic, campus engagement, residence life, employment, and campus clubs and organizations;

(8) provides professional development and resources for university professors and instructors to utilize universal design for learning and differentiated instruction that supports and benefits all students; and

(9) presents a ten-year plan including student enrollment projections for sustainability of an initiative that is financially accessible and equitable for all interested students with an intellectual disability.

(b) Eligible institutions of higher education may apply for funding in subsequent years for up to a total of ten years of funding.

(c) Receipt of grant funds does not preclude nor replace the provision of accommodation for enrolled students with disabilities.

Subd. 4. **Grant account.** An inclusive higher education grant account is created in the special revenue fund for depositing money appropriated to or received by the commissioner for the program. Money deposited in the account is appropriated to the commissioner, does not cancel, and is continuously available for grants under this section. The commissioner may use up to five percent of the amount deposited into the account for the administration of this section.

Subd. 5. **Grant awards.** (a) The commissioner must award grants to eligible institutions of higher education on a competitive basis using criteria established in collaboration with the center. The commissioner must consider and prioritize applicants that have submitted for or received a comprehensive transition and postsecondary program designation, or applicants with documented progress or intent toward submitting for federal approval. An eligible institution of higher education may apply annually for and receive up to \$200,000 per year for four years and \$100,000 in subsequent years pending performance and the funding limitation in subdivision 3, paragraph (b).

(b) A grant recipient must:

(1) adopt the model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities and the inclusive higher education guiding principles as developed by the National Coordinating Center;

(2) provide a 25 percent match for the grant funds, either monetary or in-kind; and

(3) collaborate with the Office of Higher Education, the center, and key stakeholders in the development of the inclusive higher education initiative.

Subd. 6. **Grantee reporting.** By August 1 and January 1 following a fiscal year in which a grant was received and for five years thereafter, the grantee must submit a report to the director that includes the status and outcomes of the initiative funded. The report must include performance indicators and information deemed relevant by the director and commissioner. The report must include the following performance indicators:

(1) student recruitment and number of students enrolled;

(2) student retainment effort and retention rate;

(3) initiative goals and outcomes;

(4) student attainment rate;

(5) graduated student employment rates and salary levels at year one and year five after completion; and

(6) additional performance indicators or information established under subdivision 1, paragraph (a), clauses (5) and (6).

Subd. 7. **Reporting.** The director must evaluate the development and implementation of the Minnesota inclusive higher education initiatives receiving a grant under this section. The director must submit an annual report by October 1 on the progress to expand Minnesota inclusive higher education options for students with intellectual disabilities to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. The report must include statutory and budget recommendations.

EFFECTIVE DATE. This section is effective July 1, 2023, except that the reporting requirements under subdivision 7 are effective July 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 136A.031, subdivision 3, is amended to read:

Subd. 3. **Student Advisory Council.** (a) A Student Advisory Council (SAC) to the office is established. The members of SAC shall include: the chair of the University of Minnesota student senate; the state chair of the Minnesota State University Student Association; the president of the Minnesota State College Student Association and an officer of the Minnesota State College Student Association, one in a community college course of study and one in a technical college course of study; a student who is enrolled in a private nonprofit postsecondary institution, to be elected by students enrolled in Minnesota Private College Council institutions; a student who is enrolled in a private career school, to be elected by students enrolled in Minnesota private career schools; and a student who is enrolled in a Minnesota tribal college to be elected by students enrolled in Minnesota tribal colleges. If students from the private career schools or tribal colleges do not elect a representative, the commissioner must appoint a student representative. If students from the Minnesota Private College Council institutions do not elect a representative, the Minnesota Private College Council must appoint the private nonprofit representative. A member may be represented by a

student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

(b) The office shall inform the SAC of all matters related to student issues under consideration. The SAC shall report to the office quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the office within 30 days after the commissioner's request for a meeting.

(c) The SAC shall:

(1) bring to the attention of the office any matter that the SAC believes needs the attention of the office;

(2) fulfill the requirements under section 135A.137, subdivision 2;

(3) make recommendations to the office as it finds appropriate; and

~~(3)~~ (4) approve student appointments by the office for each advisory group as provided in subdivision 4.

Sec. 8. Minnesota Statutes 2022, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 79 percent of the parental contribution. If the parental contribution is less than \$0, the assigned family responsibility is 100 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution. If the student contribution is less than \$0, the assigned family responsibility is 100 percent of the student contribution. For a student registering for less than full time, the office shall prorate the assigned family responsibility using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

Sec. 9. Minnesota Statutes 2022, section 136A.101, subdivision 7, is amended to read:

Subd. 7. **Student.** "Student" means a person who is enrolled for at least ~~three credits~~ one credit per term, in a program or course of study that applies to a degree, diploma, or certificate. Credit equivalencies assigned by an institution that are applicable to federal Pell grant calculations shall be counted as part of a student's credit load.

Sec. 10. Minnesota Statutes 2022, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an allowance specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or a tuition and fee maximum if one is established in law. If no living and miscellaneous expense allowance is established in law, the allowance is equal to ~~409~~ 115 percent of the federal poverty guidelines for a one person household in Minnesota for nine months. If no tuition and fee maximum is established in law, the

allowance for tuition and fees is equal to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance ~~to the actual number of credits for which the student is enrolled~~ using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 11. Minnesota Statutes 2022, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or ~~previously has been enrolled full time or the equivalent for eight semesters or the equivalent~~ previously has received a state grant award for 180 credits or the equivalent, excluding (1) courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit, and (2) courses taken that qualify as developmental education or below college-level. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 12. Minnesota Statutes 2022, section 136A.121, subdivision 13, is amended to read:

Subd. 13. **Deadline.** The deadline for the office to accept applications for state grants for a term is ~~30 days after the start of that term~~ June 30 of the fiscal year for which the student applies for a grant.

Sec. 13. Minnesota Statutes 2022, section 136A.1241, subdivision 5, is amended to read:

Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded a foster grant based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the foster grant must be equal to the applicant's recognized cost of attendance after ~~deducting~~ accounting for:

- (1) the ~~student aid index as calculated by~~ results of the federal need analysis;
- (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- (3) the amount of the state grant;

- (4) the Federal Supplemental Educational Opportunity Grant;
 - (5) the sum of all Tribal scholarships;
 - (6) the amount of any other state and federal gift aid;
 - (7) the Education and Training Voucher Program;
 - (8) extended foster care benefits under section 260C.451;
 - (9) the amount of any private grants or scholarships, excluding grants and scholarships provided by the private institution of higher education in which the eligible student is enrolled; and
 - (10) for public institutions, the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts.
- (b) The foster grant shall be paid directly to the eligible institution where the student is enrolled.
- (c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by September 1 for the next academic year.
- (d) An eligible private institution that does not opt out under paragraph (c) and accepts the student's application to attend the institution must provide institutional grants, scholarships, tuition waivers, or tuition remission in an amount equal to the difference between:
- (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b), clause (1); and
 - (2) the sum of the foster grant under this subdivision and the sum of the amounts in paragraph (a), clauses (1) to (9).
- (e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time as defined in section 136A.101, subdivision 7a, or the equivalent for eight semesters or the equivalent, or received a foster grant for five years, whichever occurs first. A foster grant must not be awarded to a student for more than three years for a two-year degree, certificate, or diploma, or five years for a four-year undergraduate degree.
- (f) Foster grants may be awarded to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Sec. 14. Minnesota Statutes 2022, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **Amount and length of grants.** (a) The maximum award to the applicant shall be \$6,500 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community.

(b) Applicants with ~~expected family~~ contributions at or below the qualifying ~~expected family~~ contribution as determined by the federal need analysis for the federal Pell Grant, as determined by the commissioner, qualify for the maximum award. Applicants with ~~expected family~~ contributions as determined by the federal need analysis exceeding that threshold but less than 200 percent of the qualifying ~~expected family~~ contribution receive an amount proportional to their ~~expected family~~ contribution as determined by the commissioner.

(c) The academic year award amount must be disbursed by academic term using the following formula:

(1) the academic year amount described in paragraph (a);

(2) divided by the number of terms in the academic year; and

(3) multiplied by the applicable enrollment factor:

(i) 1.00 for undergraduate students enrolled in 12 or more semester credits or the equivalent or for graduate students enrolled in six or more semester credits or the equivalent;

(ii) 0.75 for undergraduate students enrolled in nine, ten, or 11 semester credits or the equivalent or for graduate students enrolled in five semester credits or the equivalent;

(iii) 0.50 for undergraduate students enrolled in six, seven, or eight semester credits or the equivalent or for graduate students enrolled in three or four semester credits or the equivalent; and

(iv) 0.25 for undergraduate students enrolled in at least one but less than six semester credits or the equivalent or for graduate students enrolled in one or two semester credits or the equivalent.

(d) Payments shall be made each academic term to the student or to the child care provider, as determined by the institution. Institutions may make payments more than once within the academic term.

Sec. 15. [136A.1251] STUDENT-PARENT SUPPORT INITIATIVE.

Subdivision 1. **Grants.** (a) To address the needs and support the educational goals of expectant and parenting college students across Minnesota, the commissioner shall award grants and provide support services to institutions and partnering entities that assist expectant parents and parents of young children. Grants shall be awarded to postsecondary institutions, professional organizations, community-based organizations, or other applicants deemed appropriate by the commissioner. Grants must be used to offer services to support the academic goals, health, and well-being of student parents. Services and costs eligible for grant funding include but are not limited to:

(1) program development costs;

(2) costs related to the start-up of on-campus child care;

(3) evaluation and data collection; and

(4) direct assistance to student parents including:

(i) scholarships;

(ii) basic needs support; and

(iii) expenses related to child care.

(b) Postsecondary institutions may act as the fiscal agents in partnership with a local nongovernmental agency, child care center, or other organization that serves student parents.

Subd. 2. **Application process.** The commissioner shall develop a grant application process. The commissioner shall support projects in a manner that attempts to ensure eligible students throughout the state have access to program services.

Subd. 3. **Health-related supports.** The commissioner, in partnership with the Department of Health, shall provide health-related supports. Activities for health-related supports include:

(1) ensuring programs, services, and materials are medically accurate, age appropriate, culturally and linguistically appropriate, and inclusive of all populations;

(2) working with community health care providers and other service support organizations that serve the target population for this program; and

(3) providing technical assistance and training for institutional parent support center staff on how to conduct screenings and referrals for the health concerns of student parents, including alcohol misuse, substance use disorders, depression, anxiety, intimate partner violence, tobacco and nicotine, and other health concerns.

Subd. 4. **Report and evaluation.** By August 1 of each odd-numbered year, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance regarding the grant recipients and their activities. The report shall include information about the students served, the organizations providing services, program activities, program goals, and outcomes.

Sec. 16. Minnesota Statutes 2022, section 136A.126, subdivision 4, is amended to read:

Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the award must not exceed the applicant's cost of attendance, as defined in subdivision 3, after deducting accounting for:

(1) the ~~expected family contribution as calculated by~~ results of the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

(3) the amount of the state grant;

(4) the federal Supplemental Educational Opportunity Grant;

(5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;

- (6) the sum of all Tribal scholarships;
- (7) the amount of any other state and federal gift aid; and
- (8) the amount of any private grants or scholarships.

(b) The award shall be paid directly to the postsecondary institution where the student receives federal financial aid.

(c) Awards are limited as follows:

- (1) the maximum award for an undergraduate is \$4,000 per academic year;
- (2) the maximum award for a graduate student is \$6,000 per academic year; and
- (3) the minimum award for all students is \$100 per academic year.

(d) Scholarships may not be given to any Indian student for more than three years of study for a two-year degree, certificate, or diploma program or five years of study for a four-year degree program at the undergraduate level and for more than five years at the graduate level. Students may acquire only one degree per level and one terminal graduate degree. Scholarships may not be given to any student for more than ten years including five years of undergraduate study and five years of graduate study.

(e) Scholarships may be given to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Sec. 17. Minnesota Statutes 2022, section 136A.1312, is amended to read:

136A.1312 FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.

Nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to ~~make necessary adjustments to the cost of attendance and expected family contribution computations~~ adjust a student's dependency status or elements of a student's cost of attendance for federal needs analysis calculation to allow for treatment of individual students with special circumstances, with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial aid and determining the amount of awards. Nothing in this section precludes a financial aid administrator from establishing an appeals process for other extenuating circumstances.

Sec. 18. **136A.1465 MINNESOTA COMMITMENT TO HIGHER EDUCATION ACT.**

Subdivision 1. **Definitions.** The following terms have the meanings given:

(1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college;

(2) "gift aid" means all financial aid designated for the student's educational expenses, including a grant, scholarship, tuition waiver, fellowship stipend, or other third-party payment, that is not a loan or pursuant to a work-study program;

(3) "office" means the Office of Higher Education;

(4) "public postsecondary educational institution" means an institution operated by this state, the Board of Regents of the University of Minnesota, or a Tribal college;

(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after deducting grants and other scholarships;

(6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph (c); and

(7) "tuition and fees" means the actual tuition and fees charged by an institution.

Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student who:

(1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;

(2) has an adjusted gross household income below \$80,000;

(3) has not earned a baccalaureate degree at the time the scholarship is awarded;

(4) is enrolled in at least one credit per fall, spring, or summer semester;

(5) is not participating in the University of Minnesota Promise Plus Free Tuition program; and

(6) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.

Subd. 3. **Scholarship.** (a) Beginning in the 2024-2025 academic year, scholarships shall be awarded to eligible students in an amount not to exceed 100 percent of tuition and fees after grants and other scholarships are deducted.

(b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after scholarships are awarded under paragraph (a), grants shall be awarded to Pell grant eligible students in an amount equal to 50 percent of the student's Pell grant. The commissioner may adjust the grant amount based on the availability of funds.

Subd. 3a. **Maintain current levels of institutional assistance.** (a) Commencing with the 2023-2024 academic year, a public postsecondary educational institution shall not reduce the institutional gift aid offered or awarded to a student who is eligible to receive funds under this program unless the student's gift aid exceeds the student's annual cost of attendance.

(b) The public postsecondary educational institution may reduce the institutional gift aid offer of a student who is eligible to receive funds under this program by no more than the amount of the student's gift aid that is in excess of the student's annual cost of attendance.

(c) The public postsecondary educational institution shall not consider receipt or anticipated receipt of funds under this program when considering a student for qualification for institutional gift aid.

(d) To ensure financial aid is maximized, a public postsecondary educational institution is encouraged to implement efforts to avoid scholarship displacement through consultation with the Office of Higher Education and students to avoid situations where institutional gift aid can only be used for specific purposes.

Subd. 4. **Duration of scholarship authorized; scholarship paid to institution.** (a) Each scholarship is for a period of one semester. A scholarship may be renewed provided that the eligible student continues to meet the conditions of eligibility.

(b) Scholarships may be provided to an eligible student for up to 60 credits for the completion of a certificate or an associate degree and up to 120 credits for the completion of a bachelor's degree. The maximum credits for which a student is eligible is a total of 120 credits.

(c) The commissioner shall determine a time frame by which the eligible student must complete the credential.

(d) The scholarship must be paid directly to the eligible institution where the student is enrolled.

Subd. 5. **Termination of scholarship authorized.** A scholarship is terminated upon occurrence of:

(1) failure to meet satisfactory academic progress as defined in section 136A.101, subdivision 10; or

(2) substantial noncompliance by the eligible student with the requirements of the program.

Subd. 6. **Account established; appropriation.** An account is created in the special revenue fund for receiving money to provide scholarship awards. Money deposited in the account is appropriated to the commissioner of the Office of Higher Education for scholarship awards.

Subd. 7. **Office administration.** The office is authorized to administer the program. If funds are insufficient, the office shall determine the scholarship amount or number of scholarships awarded. If a student withdraws or is no longer enrolled during a semester in which a scholarship was awarded, the office may determine how this will affect the scholarship.

Subd. 8. **Report.** The commissioner of higher education shall submit a preliminary report by September 1, 2025, and an annual report beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of the program, including the:

(1) status of the scholarship fund; and

(2) Minnesota Commitment to Higher Education Act participation data aggregated for each eligible institution to show the:

(i) number of eligible students who received scholarships in the prior academic year;

- (ii) average and total award amounts;
- (iii) summary demographic data on award recipients;
- (iv) total number of students enrolled in eligible institutions in the prior academic year;
- (v) retention rates of participating students; and
- (vi) number of eligible students who graduated with a degree and, for each eligible student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation.

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

Sec. 19. Minnesota Statutes 2022, section 136A.1791, subdivision 3a, is amended to read:

Subd. 3a. **Eligibility.** To be eligible for a disbursement under this section, a teacher must belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce; To the extent that funds are available, eligibility extends to teachers who teach in a rural school district; or teach in a license shortage area.

Sec. 20. Minnesota Statutes 2022, section 136A.246, subdivision 5, is amended to read:

Subd. 5. **Grant criteria.** (a) The commissioner shall make at least an approximately equal dollar amount of grants for training for employees whose work site is projected to be outside the metropolitan area as defined in section 473.121, subdivision 2, as for employees whose work site is projected to be within the metropolitan area.

(b) In determining the award of grants, the commissioner must consider, among other factors:

- (1) the aggregate state and regional need for employees with the competency to be trained;
- (2) the competency standards developed by the commissioner of labor and industry as part of the Minnesota ~~PIPELINE Project~~ dual-training pipeline program;
- (3) the per employee cost of training;
- (4) the additional employment opportunities for employees because of the training;
- (5) the on-the-job training the employee receives;
- (6) the employer's demonstrated ability to recruit, train, and retain employees who are recent high school graduates or who recently passed high school equivalency tests;
- (7) projected increases in compensation for employees receiving the training; ~~and~~
- (8) the amount of employer training cost match, if required, on both a per employee and aggregate basis; and
- (9) the employer's demonstrated ability to recruit, train, and retain employees who are employees of color, American Indian employees, and employees with disabilities.

Sec. 21. Minnesota Statutes 2022, section 136A.246, subdivision 6, is amended to read:

Subd. 6. **Employer match.** A large employer must pay for at least 25 percent of the ~~eligible training provider's charge for the eligible training to the provider~~ cost of training. For the purpose of this subdivision, a "large employer" means a business with more than \$25,000,000 in annual gross revenue in the previous calendar year.

Sec. 22. Minnesota Statutes 2022, section 136A.246, subdivision 8, is amended to read:

Subd. 8. **Grant amounts.** (a) The maximum grant for an application for the cost of training is \$150,000. The maximum grant for an application for trainee support is ten percent of the grant amount for the cost of training. The maximum total grant per application is \$165,000. A grant may not exceed \$6,000 per year for a maximum of four years \$24,000 per employee.

(b) An employee who is attending an eligible training provider that is an institution under section 136A.103 must apply for Pell and state grants as a condition of payment for training that employee under this section.

Sec. 23. **[136A.84] DIRECT ADMISSIONS PROGRAM.**

Subdivision 1. **Authorization.** The commissioner shall administer the direct admissions program in consultation with stakeholders, including Minnesota State Colleges and Universities, the University of Minnesota, the Student Advisory Council under section 136A.031, the Minnesota Department of Education, the Minnesota Association of Secondary School Principals, and the Minnesota School Board Association, to automatically offer conditional admission into Minnesota public colleges and universities to Minnesota high school seniors based on a student's high school grade point average, high school and college transcript information, standardized tests, statewide assessments, and other measures as determined by stakeholders.

Subd. 2. **Implementation.** The program shall establish and, to the extent feasible, implement a process for leveraging existing kindergarten through grade 12 and higher education student information systems to automate the admissions process for students. The program must specifically evaluate the impact this process has on outcomes for students with lower levels of college knowledge, low-income students, and students from populations underserved in higher education. The office shall attempt to achieve statewide representation and may prioritize program participants to include high schools with a significant number of students of color, low-income students, or both.

Subd. 3. **Information.** The commissioner shall provide information about the Minnesota state grant program and the Minnesota commitment to higher education act and encourage students to determine their eligibility for financial aid based on FAFSA and state financial aid application completion.

Subd. 4. **Report.** Annually, by February 1, the Office of Higher Education shall report to the legislative committees with jurisdiction over kindergarten through grade 12 education finance and policy and higher education on activities occurring under this section. The report must include but is not limited to information about implementation, recommendations, and outcomes.

Sec. 24. Minnesota Statutes 2022, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; (6) transportation; ~~or~~ (7) construction; (8) education; (9) public safety; or (10) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.

(c) The student must be enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system to be eligible for first- and second-year scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 25. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards, and provide technical assistance to develop dual-training programs. The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, ~~and~~ agriculture, transportation, and child care. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Sec. 26. Minnesota Statutes 2022, section 354B.23, subdivision 3, is amended to read:

Subd. 3. **Employer contribution rate.** The employer contribution rate on behalf of participants in the individual retirement account plan is ~~six percent~~ the following percentage of salary:-

<u>from July 1, 1993, to June 30, 2023</u>	<u>6</u>
<u>from July 1, 2023, to June 30, 2024</u>	<u>6.55</u>
<u>from July 1, 2024, to June 30, 2025</u>	<u>7.1</u>
<u>from July 1, 2025, to June 30, 2026</u>	<u>7.65</u>
<u>from July 1, 2026, to June 30, 2027</u>	<u>7.65</u>
<u>after June 30, 2027</u>	<u>8.75</u>

Sec. 27. **POSTSECONDARY STUDENT BASIC NEEDS WORKING GROUP; REPORT.**

Subdivision 1. **Direction.** By September 1, 2023, the commissioner of the Office of Higher Education shall convene a working group on postsecondary student basic needs. The commissioner shall invite representatives from Minnesota State Colleges and Universities, the University of Minnesota, nonprofit private colleges, Tribal colleges and universities, student organizations, faculty

and staff bargaining units, state agencies, and other interested parties as determined by the commissioner to participate in the working group.

Subd. 2. **Duties.** The working group must review, assess, and make specific recommendations on strategies to meet the basic needs of higher education students. The report must include a comprehensive plan on how to identify, assess, and support students who are experiencing housing and food insecurity. The report may also include proposals for substantive and technical amendments to Minnesota Statutes, chapters 135A to 137, and any other laws that relate to higher education. The working group may also make specific recommendations with regard to policy changes for the Office of Higher Education and postsecondary institutions.

Subd. 3. **Report to legislature.** The commissioner of higher education shall submit a report detailing the working group's findings and recommendations to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education policy and finance by September 1, 2024.

Sec. 28. REPORT ON MINNESOTA STATE COLLEGES AND UNIVERSITIES COURSE PLACEMENT PRACTICES.

Subdivision 1. **Review.** (a) The Office of Higher Education shall document, review, and analyze college admission and course placement policies, practices, and assessments used by the Minnesota State Colleges and Universities system. The review shall seek to determine if policies, practices, and assessments used have:

(1) adverse consequences for a student and their family, including burdensome economic and related costs of delaying their degree plans;

(2) hindered the participation of students;

(3) hindered the placement, retention, or timely college graduation of students; and

(4) excluded students from admission thereby hindering their full participation in higher education.

(b) The review must consider impacts for various student communities, including but not limited to Indigenous students, English as a second language (ESL) students, and students of color.

Subd. 2. **Determination.** Utilizing the review conducted under subdivision 1, the commissioner shall determine whether:

(1) students, including Indigenous students, ESL students, and students of color, are:

(i) denied admission;

(ii) disproportionately assigned to enroll in developmental courses; or

(iii) delayed or deterred in their educational progress; and

(2) policies, practices, and instruments:

- (i) are disproportionately reliant on test scores;
- (ii) impose barriers for students in terms of enrollment, retention, and completion; and
- (iii) may be culturally biased.

Subd. 3. **Recommendation.** The commissioner shall recommend changes based on the information obtained in subdivisions 1 and 2 to existing measures, instruments, and placement practices. By February 1, 2024, the commissioner shall report the recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. The commissioner shall seek external advice and expertise to address the above reviews, determinations, findings, and recommendations."

Amend the title as follows:

Page 1, line 5, after "programs;" insert "establishing the Minnesota Commitment to Higher Education tuition free program;"

Amend the title numbers accordingly

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

Senator Murphy from the Committee on State and Local Government and Veterans, to which was referred

S.F. No. 1426: A bill for an act relating to state government; specifying the types of collateral the Executive Council may approve for deposit with the commissioner of management and budget; amending Minnesota Statutes 2022, section 9.031, 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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

APPROPRIATIONS
Available for the Year

	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>LEGISLATURE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 151,676,000</u>	<u>\$ 122,984,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is \$122,893,000 in fiscal year 2026 and each fiscal year thereafter.

Subd. 2. <u>Senate</u>	<u>41,045,000</u>	<u>43,845,000</u>
Subd. 3. <u>House of Representatives</u>	<u>48,046,000</u>	<u>48,558,000</u>
Subd. 4. <u>Legislative Coordinating Commission</u>	<u>62,585,000</u>	<u>30,581,000</u>

The base is \$30,490,000 in fiscal year 2026 and each fiscal year thereafter.

\$15,000 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.

\$200,000 each year is for the Office on the Economic Status of Women.

\$141,000 the first year and \$91,000 the second year are to support the Legislative Task Force on Aging established in article 2, section 49. This is a onetime appropriation.

\$500,000 the first year is for costs related to establishing and administering a collective bargaining process for legislative employees.

Legislative Auditor. \$10,459,000 the first year and \$11,526,000 the second year are for the Office of the Legislative Auditor.

Revisor of Statutes. \$22,250,000 the first year and \$8,714,000 the second year are for the Office of the Revisor of Statutes. \$14,000,000 the first year is to replace the drafting, rules, and law publication system.

Legislative Reference Library. \$2,055,000 the first year and \$2,184,000 the second year are for the Legislative Reference Library.

Legislative Budget Office. \$2,454,000 the first year and \$2,669,000 the second year are for the Legislative Budget Office.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

\$ 9,258,000 \$ 9,216,000

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) \$19,000 each year is for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(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

\$ 14,963,000 \$ 14,252,000

The base for this appropriation is \$14,266,000 in fiscal year 2026 and \$14,276,000 in fiscal year 2027.

Sec. 5. ATTORNEY GENERAL

\$ 53,796,000 \$ 43,825,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>50,880,000</u>	<u>40,909,000</u>
State Government		
Special Revenue	<u>2,521,000</u>	<u>2,521,000</u>

<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

Sec. 6. SECRETARY OF STATE \$ 11,267,000 \$ 10,379,000

The base for this appropriation is \$10,247,000 in fiscal year 2026 and \$10,379,000 in fiscal year 2027.

Sec. 7. STATE BOARD OF INVESTMENT \$ 139,000 \$ 139,000

Sec. 8. ADMINISTRATIVE HEARINGS \$ 12,278,000 \$ 10,260,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,510,000</u>	<u>444,000</u>
<u>Workers' Compensation</u>	<u>9,768,000</u>	<u>9,816,000</u>

\$263,000 each year is for municipal boundary adjustments.

Sec. 9. INFORMATION TECHNOLOGY SERVICES \$ 73,515,000 \$ 82,640,000

The base for this appropriation is \$11,303,000 in fiscal year 2026 and \$11,322,000 in fiscal year 2027.

(a) Cybersecurity Grant Program.
\$2,204,000 the first year and \$3,521,000 the second year are for a state and local cybersecurity improvement grant program for political subdivisions and Minnesota Tribal governments, as established in Minnesota Statutes, section 16E.35. This is a onetime appropriation and is available until June 30, 2027.

(b) Statewide Cybersecurity Enhancements. \$10,280,000 the first year and \$16,875,000 the second year are to procure, implement, and support advanced cybersecurity tools that combat persistent and evolving cybersecurity threats. This is a

onetime appropriation and is available until June 30, 2027.

(c) Executive Branch Cloud Transformation. \$10,685,000 the first year and \$22,910,000 the second year are to support planning, migration, modernization, infrastructure, training, and services required for executive branch cloud transformation to modernize enterprise information technology delivery for state agency business partners. This is a onetime appropriation and is available until June 30, 2027.

(d) Targeted Application Modernization. \$20,000,000 each year is to modernize targeted applications to improve user experiences with digital services provided by state agencies, enable service delivery transformation, and systematically address aging technology. This is a onetime appropriation and is available until June 30, 2027.

(e) Children's Cabinet IT Innovation. \$2,000,000 each year is to provide technology capabilities that support centering Minnesota children and their families over agency structures and provides dedicated information technology resources to deliver innovative digital services to children and families. This is a onetime appropriation and is available until June 30, 2027.

(f) MnGeo; Expanding Data-Driven Decision Making with GIS Data. \$358,000 the first year and \$376,000 the second year are to enhance the state's ability to lead collaborative geographic data collection and to produce additional publicly available data. The base for this appropriation is \$395,000 in fiscal year 2026 and \$414,000 in fiscal year 2027.

(g) Supporting Accessible Technology in State Government. \$300,000 each year is to support accessible government in Minnesota.

(h) **Digital Media Services.** \$1,000,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the creation, staffing, and operation of a digital media services office for the executive branch. The base for this appropriation is \$450,000 in fiscal year 2026 and each fiscal year thereafter.

(i) **Public Land Survey System.** \$16,000,000 the first year and \$4,000,000 the second year are for the grant program authorized by Minnesota Statutes, section 381.125. Up to four percent of this appropriation may be used by the chief geospatial information officer for the administration of the grant program. This is a onetime appropriation and is available until June 30, 2027.

\$1,000,000 each year is for grants to counties to employ county technical staff to aid surveyors marking public land survey corners. This is a onetime appropriation.

(j) During the biennium ending June 30, 2025, the 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. 10. **ADMINISTRATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>71,995,000</u>	<u>\$</u>	<u>46,243,000</u>
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The base for this appropriation is \$36,153,000 in fiscal year 2026 and \$36,165,000 in fiscal year 2027.

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

Subd. 2. Government and Citizen Services38,325,00020,555,000

The base for this appropriation is \$18,965,000 in fiscal year 2026 and \$18,977,000 in fiscal year 2027.

Council on Developmental Disabilities. \$222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. \$200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Procurement Technical Assistance Center. \$350,000 each year is for the Procurement Technical Assistance Center.

Office of the State Archaeologist. \$806,000 the first year and \$822,000 the second year are for the Office of the State Archaeologist. The base for this appropriation is \$773,000 in fiscal year 2026. The base for this appropriation in fiscal year 2027 and each year thereafter is \$785,000.

Of these amounts, \$236,000 the first year and \$242,000 the second year are for the Archaeological and Cemetery Site Inventory Portal. The base in fiscal year 2026 is \$193,000 and \$205,000 in fiscal year 2027 and each year thereafter.

Disparity Study. \$500,000 the first year and \$1,000,000 the second year are to conduct a study on disparities in state procurement. This is a onetime appropriation.

Grants Administration Oversight. \$2,411,000 the first year and \$1,782,000 the second year are for grants administration oversight. The base for this appropriation in fiscal year 2026 and each year thereafter is \$1,581,000.

\$735,000 the first year and \$201,000 the second year are for a study to develop a road

map on the need for an enterprise grants management system and to implement the study's recommendation. This is a onetime appropriation.

Small Agency Resource Team. \$940,000 the first year and \$856,000 the second year are for the Small Agency Resource Team.

Of these amounts, \$102,000 the first year is to complete the study required under article 2, section 52. This is a onetime appropriation.

State Historic Preservation Office. \$1,274,000 the first year and \$1,352,000 the second year are for the State Historic Preservation Office. The base for this appropriation in fiscal year 2026 and each year thereafter is \$1,012,000.

Of these amounts, \$485,000 the first year and \$500,000 the second year are for electronic project systems and critical database integration and are available through June 30, 2027. The base for this appropriation in fiscal year 2026 and each year thereafter is \$160,000.

Risk Management Fund Property Self-Insurance. \$12,500,000 the first year is for transfer to the risk management fund under Minnesota Statutes, section 16B.85. This is a onetime appropriation.

Office of Enterprise Translations. \$1,306,000 the first year and \$1,159,000 the second year are to establish the Office of Enterprise Translations. \$250,000 the first year and \$250,000 the second year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

State Demographic Center. \$1,052,000 the first year and \$1,076,000 the second year are for the State Demographic Center.

Capitol Campus Design Framework Implementation. \$5,000,000 the first year

is for facilities management to implement the updated Capitol Campus Design Framework Plan established in Minnesota Statutes, section 15B.18.

Parking Fund. \$1,085,000 each year is for a transfer to the state parking account to maintain the operations of the parking and transit program on the Capitol complex.

Procurement; Environmental Analysis and Task Force. \$522,000 the first year and \$367,000 the second year are to implement the provisions of Minnesota Statutes, section 16B.312.

Council Support. \$225,000 the first year and \$40,000 the second year are to develop and create training modules for and to support the work of the Youth Advisory Council and the Council on LGBTQIA Minnesotans.

<u>Subd. 3. Strategic Management Services</u>	<u>2,809,000</u>	<u>3,115,000</u>
<u>Subd. 4. Fiscal Agent</u>	<u>30,861,000</u>	<u>22,573,000</u>

The base for this appropriation is \$14,073,000.

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. \$11,129,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) \$500,000 each year is for block grants to public television under Minnesota Statutes, section 129D.13. Of this amount, up to three percent is for the commissioner of

administration to administer the grants. This is a onetime appropriation.

(d) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) \$1,292,000 the first year and \$492,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(b) \$142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(c) \$2,200,000 the first year is for grants to the Association of Minnesota Public Educational Radio Stations for the purchase of emergency equipment and increased cybersecurity and broadcast technology.

(d) \$1,288,000 the first year is for a grant to the Association of Minnesota Public Educational Radio Stations to provide community radio news programs. Of this amount, up to \$38,000 is for the commissioner of administration to administer this grant. This is a onetime appropriation and is available through June 30, 2027.

(e) \$510,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(f) The appropriations in paragraphs (a) to (e) may not be used for indirect costs claimed by an institution or governing body.

(g) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) to (c). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2023.

(h) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Real Estate and Construction Services.
\$12,000,000 the first year and \$8,000,000 the second year are to facilitate space consolidation and the transition to a hybrid work environment, including but not limited to the design, remodel, equipping, and furnishing of the space. This appropriation may also be used for relocation and rent loss. This is a onetime appropriation and is available through June 30, 2027.

Sec. 11. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$ 2,070,000 \$ 510,000

The base for this appropriation in fiscal year 2026 and each year thereafter is \$455,000.

\$500,000 in fiscal year 2024 is to support commemorative artwork activities. This is a onetime appropriation and is available until June 30, 2028.

\$130,000 in fiscal year 2024 and \$55,000 in fiscal year 2025 are for mandatory zoning and design rules. This is a onetime appropriation.

\$1,000,000 in fiscal year 2024 is to update the Capitol Campus Design Framework described in Minnesota Statutes, section 15B.18. This is a onetime appropriation.

Sec. 12. MINNESOTA MANAGEMENT AND BUDGET

\$ 54,239,000 \$ 59,490,000

The base for this appropriation is \$48,740,000 in fiscal year 2026 and each fiscal year thereafter.

(a) \$13,479,000 the first year and \$14,480,000 the second year are to stabilize and secure the state's enterprise resource planning systems. This amount is available until June 30, 2027. The base for this appropriation is \$6,480,000 in fiscal year 2026 and each fiscal year thereafter.

(b) \$973,000 the first year and \$1,006,000 the second year are for enterprise continuity of operations planning and preparedness. The base for this appropriation is \$756,000 in fiscal year 2026 and each year thereafter.

(c) \$466,000 the first year and \$622,000 the second year are for the establishment of a statewide internal audit office.

(d) \$1,408,000 the first year and \$3,328,000 the second year are for the establishment of an enterprise planning, strategy, and performance unit.

(e) \$1,000,000 each year is for administration and staffing of the Children's Cabinet established in Minnesota Statutes, section 4.045.

(f) \$2,500,000 the first year and \$2,500,000 the second year are for interagency collaboration to develop data collection standards for race, ethnicity, gender identity, and disability status and to develop a roadmap and timeline for implementation of the data standards across state government. These funds may be transferred to other

agencies to support this work and may be used to update computer systems to accommodate revised data collection standards. This is a onetime appropriation and is available until June 30, 2027.

(g) \$102,000 the first year and \$60,000 the second year are for the report required under Minnesota Statutes, section 43A.15, subdivision 14a, and for training and content development relating to ADA Title II, affirmative action, equal employment opportunity, digital accessibility, inclusion, disability awareness, and cultural competence.

Sec. 13. REVENUE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>194,566,000</u>	<u>\$</u>	<u>203,778,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>190,306,000</u>	<u>199,518,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

The general fund base for this appropriation is \$196,968,000 in fiscal year 2026 and each fiscal year thereafter.

<u>Subd. 2. Tax System Management</u>		<u>161,715,000</u>		<u>168,851,000</u>
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Appropriations by Fund

<u>General</u>	<u>157,455,000</u>	<u>164,591,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

The general fund base for this appropriation is \$161,989,000 in fiscal year 2026 and \$162,063,000 in fiscal year 2027 and each fiscal year thereafter.

Taxpayer Assistance. (a) \$750,000 each year is for the commissioner of revenue to

make grants to one or more eligible organizations, qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986 to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. <u>Debt Collection Management</u>	<u>32,851,000</u>	<u>34,927,000</u>
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The base for this appropriation is \$34,979,000 in fiscal year 2026 and \$34,905,000 in fiscal year 2027 and each fiscal year thereafter.

Sec. 14. <u>GAMBLING CONTROL BOARD</u>	\$ <u>6,365,000</u>	\$ <u>6,334,000</u>
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These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 15. <u>RACING COMMISSION</u>	\$ <u>1,933,000</u>	\$ <u>954,000</u>
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<u>Appropriations by Fund</u>		
<u>General</u>	<u>1,000,000</u>	<u>-0-</u>
<u>Special Revenue</u>	<u>933,000</u>	<u>954,000</u>

The special revenue fund appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Horseracing Integrity and Safety Act Compliance. \$1,000,000 the first year is from the general fund for costs related to the federal Horseracing Integrity and Safety Act.

This appropriation is onetime and is available until June 30, 2024.

Sec. 16. STATE LOTTERY

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed \$40,000,000 in fiscal year 2024 and \$40,000,000 in fiscal year 2025.

Sec. 17. AMATEUR SPORTS COMMISSION \$ 379,000 \$ 391,000

Sec. 18. COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE \$ 795,000 \$ 816,000

Sec. 19. COUNCIL ON LATINO AFFAIRS \$ 664,000 \$ 680,000

Sec. 20. COUNCIL ON ASIAN-PACIFIC MINNESOTANS \$ 623,000 \$ 645,000

Sec. 21. COUNCIL ON LGBTQIA MINNESOTANS \$ 500,000 \$ 499,000

Sec. 22. YOUTH ADVISORY COUNCIL \$ 517,000 \$ 515,000

Sec. 23. INDIAN AFFAIRS COUNCIL \$ 1,337,000 \$ 1,360,000

Sec. 24. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation \$ 45,193,000 \$ 26,932,000

The base for this appropriation in fiscal year 2026 and each year thereafter is \$26,457,000.

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

Subd. 2. Operations and Programs 44,772,000 26,511,000

The base for this appropriation in fiscal year 2026 and each year thereafter is \$26,136,000.

Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at

the Capitol, but may charge fees for special programs other than general tours.

(a) \$375,000 each year is to support statewide historic sites and museums and enhance in-person school programs.

(b) \$19,227,000 the first year is for capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

(c) \$35,000 the first year is to support the work of the State Emblems Redesign Commission established under section article 2, section 48.

<u>Subd. 3. Fiscal Agent</u>	<u>421,000</u>	<u>421,000</u>
<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>215,000</u>	<u>215,000</u>

The base for this appropriation is \$115,000 in fiscal year 2026 and each fiscal year thereafter.

<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. 25. BOARD OF THE ARTS

<u>Subdivision 1. Total Appropriation</u>	<u>\$ 7,774,000</u>	<u>\$ 7,787,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Operations and Services</u>	<u>835,000</u>	<u>848,000</u>
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Subd. 3. **Grants Program** 4,800,000 4,800,000

Subd. 4. **Regional Arts Councils** 2,139,000 2,139,000

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 26. **MINNESOTA HUMANITIES CENTER** \$ 1,145,000 \$ 1,145,000

\$675,000 each year is for grants under Minnesota Statutes, section 138.912. This amount is available until June 30, 2027. The base for this appropriation is \$325,000 in fiscal year 2026 and each fiscal year thereafter. No more than four percent of the appropriation may be used for the nonprofit administration of the program.

Sec. 27. **BOARD OF ACCOUNTANCY** \$ 844,000 \$ 859,000

Sec. 28. **BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN** \$ 893,000 \$ 913,000

Sec. 29. **BOARD OF COSMETOLOGIST EXAMINERS** \$ 3,470,000 \$ 3,599,000

Sec. 30. **BOARD OF BARBER EXAMINERS** \$ 442,000 \$ 452,000

Sec. 31. **GENERAL CONTINGENT ACCOUNTS** \$ 2,000,000 \$ 2,000,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>1,500,000</u>	<u>1,500,000</u>
State Government		
Special Revenue	<u>400,000</u>	<u>400,000</u>

<u>Workers'</u>		
<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The general fund base for this appropriation is \$500,000 in fiscal year 2026 and \$0 in fiscal year 2027 and each fiscal year thereafter.

(b) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(c) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(d) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 32. <u>TORT CLAIMS</u>	<u>\$</u>	<u>161,000</u>	<u>\$</u>	<u>161,000</u>
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These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available both years.

Sec. 33. MINNESOTA STATE RETIREMENT SYSTEM

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>14,543,000</u>	<u>\$</u>	<u>14,372,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Combined Legislators and Constitutional Officers Retirement Plan</u>		<u>8,543,000</u>		<u>8,372,000</u>
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Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. <u>Judges Retirement Plan</u>	<u>6,000,000</u>	<u>6,000,000</u>
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For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 34. <u>PUBLIC EMPLOYEES RETIREMENT ASSOCIATION</u>	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>
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(a) \$9,000,000 each year is for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are \$16,000,000 on September 15, 2024, and \$16,000,000 on September 15, 2025. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 35. <u>TEACHERS RETIREMENT ASSOCIATION</u>	<u>\$ 29,831,000</u>	<u>\$ 29,831,000</u>
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The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 36. <u>ST. PAUL TEACHERS RETIREMENT FUND</u>	<u>\$ 14,827,000</u>	<u>\$ 14,827,000</u>
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The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 37. **APPROPRIATION; BUREAU OF MEDIATION SERVICES.**

\$50,000 is appropriated in fiscal year 2024 from the general fund to the commissioner of the Bureau of Mediation Services to conduct unit determinations.

Sec. 38. **CANCELLATION; COVID-19 MANAGEMENT.**

\$58,334,000 of the general fund appropriation in Minnesota Laws 2022, chapter 50, article 3, section 1, is canceled to the general fund.

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

Sec. 39. **APPROPRIATION REDUCTION FOR EXECUTIVE AGENCIES.**

(a) The commissioner of management and budget must reduce general fund appropriation to executive agencies for agency operations for the biennium ending June 30, 2025, by \$8,672,000 due to savings from reduced transfers to the Governor's Office account in the special revenue fund.

(b) If savings are obtained through reduced transfers from nongeneral funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of savings to the general fund. The amount transferred to the general fund from other funds reduces the required general fund reduction in this section. Reductions made in 2025 must be reflected as reductions in agency base budgets for fiscal years 2026 and 2027.

ARTICLE 2

MISCELLANEOUS POLICY

Section 1. Minnesota Statutes 2022, section 1.135, subdivision 2, is amended to read:

Subd. 2. **Official seal.** The seal described in subdivision ~~3~~ 3a is the "Great Seal of the State of Minnesota." When the seal, the impression of the seal, the scene within the seal, or its likeness is reproduced at state expense, it must conform to subdivision 3 and section 4.04. A seal, impression, scene, or likeness which does not conform to these provisions is not official.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 2. Minnesota Statutes 2022, section 1.135, is amended by adding a subdivision to read:

Subd. 3a. **Official seal; May 11, 2024, and thereafter.** The Great Seal of the State of Minnesota is the design as certified in the report of the State Emblems Redesign Commission, as established by a law enacted in 2023.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 3. Minnesota Statutes 2022, section 1.135, subdivision 4, is amended to read:

Subd. 4. **Additional effects; size.** Every effort shall be made to reproduce the seal with justification to the 12 o'clock position ~~and with attention to the authenticity of the illustrations used to create the scene within the seal. The description of the scene in this section does not preclude the graphic inclusion of the effects of movement, sunlight, or falling water when the seal is reproduced.~~ ~~Not does~~ This section does not prohibit the enlargement, proportioned reduction, or embossment of the seal for its use in unofficial acts.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 4. Minnesota Statutes 2022, section 1.135, subdivision 6, is amended to read:

Subd. 6. **State's duties.** State agencies and departments using the seal, its impression, ~~the scene within the seal~~ or its likeness shall make every effort to bring any seal, impression, ~~scene~~, or likeness currently fixed to a permanent object into accordance with this section and section 4.04. Expendable material to which the seal in effect prior to May 11, 2024, or any impression, scene, or likeness of that seal is currently affixed may be used until the supply is exhausted or until January 1, 2025, whichever occurs first. All unused dies and engravings of the Great Seal shall be given to the Minnesota Historical Society, along with all historical information available about the seal, to be retained in the society's permanent collection.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 5. Minnesota Statutes 2022, section 1.141, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** The design of the state flag ~~proposed by the Legislative Interim Commission acting under Laws 1955, chapter 632~~, as certified in the report of the State Emblems Redesign Commission, as established in section 47, is adopted as the official state flag.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 6. Minnesota Statutes 2022, section 3.07, is amended to read:

3.07 ADDITIONAL EMPLOYEES.

Each house, after its organization, may appoint and at pleasure remove the employees provided for by its permanent rules or recommended by its Committee on Rules, subject to terms and conditions of employment under applicable collective bargaining agreements. All officers and employees shall receive the compensation provided by the permanent rules of the electing or appointing body or recommended by its Committee on Rules. Unless otherwise expressly provided by law, no officer or employee shall receive any other compensation for services.

Sec. 7. Minnesota Statutes 2022, section 3.09, is amended to read:

3.09 COMPENSATION OF EMPLOYEES.

The compensation of officers and employees shall be at the rates fixed by the permanent rules of the electing or appointing body or recommended by its Committee on Rules, subject to terms and conditions of employment under applicable collective bargaining agreements.

Sec. 8. Minnesota Statutes 2022, section 4.045, is amended to read:

4.045 CHILDREN'S CABINET.

The Children's Cabinet shall consist of the commissioners of education, human services, employment and economic development, public safety, corrections, management and budget, health, administration, Housing Finance Agency, and transportation, ~~and the director of the Office of Strategic and Long-Range Planning~~. The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children's Cabinet are performed.

Sec. 9. **[15.0146] MINNESOTA YOUTH ADVISORY COUNCIL.**

Subdivision 1. **Membership.** (a) The membership of the council is as described in this subdivision.

(b) The governor must appoint three members to represent each of the state's congressional districts. Of these, two members from each congressional district must be in grades 8 through 12 at the time of appointment, and one member must be between the ages of 19 and 23 at the time of appointment. The governor may only appoint an individual under the age of 18 to the council with the consent of the individual's parent or guardian. The governor must ensure that the demographic composition of the council accurately reflects the demographic composition of Minnesota's youth community as determined by the state demographer.

(c) Four legislators are voting members of the council. The speaker of the house and the house minority leader must each appoint one member to the council. The majority leader of the senate must appoint one member of the majority caucus and the minority leader of the senate must appoint one member of the minority caucus to the council.

(d) The governor may appoint a commissioner of a state agency or a designee of that commissioner to serve as an ex officio, nonvoting member of the council.

Subd. 2. **Appointments; terms; removal.** (a) The council's executive director and the legislative members may offer advice to the governor on applicants seeking appointment to the council.

(b) Terms, compensation, and filling of vacancies for members appointed by the governor are as provided in section 15.059, except that the term of a member is two years. Removal of members appointed by the governor is governed by section 15.059, except that: (1) a member who missed more than half of the council meetings convened during a 12-month period automatically is removed from the council; and (2) a member appointed by the governor may be removed by a vote of three of the four legislative members of the council. The chair of the council must inform the governor of the need for the governor to fill a vacancy on the council. Legislative members serve at the pleasure of their appointing authority.

(c) An appointee of the governor may serve one term on the council. A legislator may serve no more than eight consecutive years or 12 nonconsecutive years on this council.

Subd. 3. **Training; chair; executive committee; meetings; support.** (a) A member appointed by the governor must attend orientation training within the first six months of service for the member's term. The commissioner of administration must arrange for the training to include but not be limited

to the legislative process and the duties and responsibilities associated with membership on a state advisory council. The governor must remove a member who does not complete the training.

(b) The council must annually elect from among the members appointed by the governor a chair and other officers the council deems necessary. The elected officers and one legislative member selected by the council must serve as the executive committee of the council.

(c) Forty percent of voting members of the council constitutes a quorum. A quorum is required to conduct council business. A council member may not vote on any action if the member has a conflict of interest under section 10A.07.

(d) The council must receive administrative support from the commissioner of administration under section 16B.371. The council may contract in its own name but must not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council who are over the age of 21 years and executed by the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(e) The attorney general must provide legal services to the council on behalf of the state on all matters relating to the council, including matters relating to the state as the employer of the executive director of the council and other council staff.

Subd. 4. **Executive director; staff.** (a) The commissioner of administration must appoint an executive director for the council. The executive director must be experienced in administrative activities and familiar with the challenges and needs of Minnesota's youth community. The executive director serves in the unclassified service at the pleasure of the commissioner of administration.

(b) The commissioner of administration must establish a process for recruiting and selecting applicants for the executive director position. This process must include consultation and collaboration with the council.

(c) The executive director and council members must work together in fulfilling council duties. The executive director must consult with the commissioner of administration to ensure appropriate financial, purchasing, human resources, and other services for operation of the council.

(d) The council chair must report to the commissioner of administration regarding the performance of the executive director, including any recommendations regarding disciplinary actions. The executive director must appoint and supervise the work of other staff necessary to carry out the duties of the council.

(e) The executive director must submit the council's biennial budget request to the commissioner of management and budget as provided under chapter 16A.

Subd. 5. **Duties of council.** (a) The council must work for the implementation of economic, social, legal, and political equality for the youth community. The council must work with the legislature and governor to carry out this work by performing the duties in this section. The council must:

(1) develop and approve a strategic plan to guide the council's work in implementing the duties and goals required by this section;

(2) advise the governor and the legislature on issues confronting the youth community. This may include but is not limited to presenting the results of surveys, studies, and community forums to the appropriate executive departments and legislative committees;

(3) advise the governor and the legislature of administrative and legislative changes needed to improve the economic and social condition of the youth community. This may include but is not limited to working with legislators to develop legislation to address these issues and to work for passage of the legislation;

(4) advise the governor and the legislature of the implications and effect of proposed administrative and legislative changes on the youth community. This may include but is not limited to tracking legislation, testifying as appropriate, and meeting with executive departments and legislators;

(5) serve as a liaison between state government and organizations that serve the youth community. This may include but is not limited to working with organizations that serve youth to carry out the duties in this subdivision, and working with organizations that serve youth to develop informational programs or publications to involve and empower youth seeking to improve their economic and social conditions; and

(6) perform or contract for the performance of studies designed to suggest solutions to identified problems in the areas of education, employment, human rights, health, housing, social welfare, and other related areas.

(b) In carrying out duties under this subdivision, the council may act to advise on issues that affect the shared constituencies of a council established in section 15.0145.

Subd. 6. **Duties of council members.** A council member must:

(1) attend and participate in scheduled meetings and be prepared by reviewing meeting notes;

(2) maintain and build communication with the youth community;

(3) collaborate with the council and executive director in carrying out the council's duties; and

(4) participate in activities the council or executive director deem appropriate and necessary to facilitate the goals and duties of the council.

Subd. 7. **Reports.** The council must report on the measurable outcomes achieved in the council's current strategic plan to meet its statutory duties, along with the specific objectives and outcome measures proposed for the following year. The council must submit the report by January 15 each year to the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government operations and other committees as the council determines appropriate. Each report must cover the calendar year of the year before the report is submitted. The specific objectives and outcome measures for the following current year must focus on three or four achievable objectives, action steps, and measurable outcomes that the council must be held

accountable. The strategic plan may include other items that support the statutory purposes of the council but must not distract from the primary statutory proposals presented. The biennial budget of the council must be submitted to the commissioner of administration by February 1 in each odd-numbered year.

Sec. 10. [15.0147] COUNCIL ON LGBTQIA MINNESOTANS.

Subdivision 1. **Council established; membership.** (a) The Council on LGBTQIA Minnesotans is established. The council consists of 16 voting members.

(b) The governor shall appoint a total of 12 public voting members. The governor may additionally appoint a commissioner of a state agency or a designee of the commissioner to serve as an ex-officio, nonvoting member of the council.

(c) Four legislators shall be appointed to the council. The speaker of the house and the minority leader of the house of representatives shall each appoint one member of the house of representatives to the council. The senate Subcommittee on Committees of the Committee on Rules and Administration shall appoint one member of the senate majority caucus and one member of the senate minority caucus.

Subd. 2. **Appointments; terms; removal.** (a) In making appointments to the council, the governor shall consider an appointee's proven dedication and commitment to Minnesota's LGBTQIA community and any expertise possessed by the appointee that might be beneficial to the council, such as experience in public policy, legal affairs, social work, business, or management. The executive director and legislative members may offer advice to the governor on applicants seeking appointment.

(b) Terms, compensation, and filling of vacancies for members appointed by the governor are as provided in section 15.059. Removal of members appointed by the governor is governed by section 15.059, except that: (1) a member who misses more than half of the council meetings convened during a 12-month period is automatically removed from the council; and (2) a member appointed by the governor may be removed by a vote of three of the four legislative members of the council. The chair of the council shall inform the governor of the need for the governor to fill a vacancy on the council. Legislative members serve at the pleasure of their appointing authority.

(c) A member appointed by the governor may serve no more than a total of eight years on the council. A legislator may serve no more than eight consecutive years or 12 nonconsecutive years on the council.

Subd. 3. **Training; executive committee; meetings; support.** (a) A member appointed by the governor must attend orientation training within the first six months of service for the member's initial term. The commissioner of administration must arrange for the training to include but not be limited to the legislative process, government data practices, ethics, conflicts of interest, Open Meeting Law, Robert's Rules of Order, fiscal management, and human resources. The governor must remove a member who does not complete the training.

(b) The council shall annually elect from among the members appointed by the governor a chair and other officers the council deems necessary. These officers and one legislative member selected by the council shall serve as the executive committee of the council.

(c) Forty percent of voting members of the council constitutes a quorum. A quorum is required to conduct council business. A council member may not vote on any action if the member has a conflict of interest under section 10A.07.

(d) The council shall receive administrative support from the commissioner of administration under section 16B.371. The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(e) The attorney general shall provide legal services to the council on behalf of the state on all matters relating to the council, including matters relating to the state as the employer of the executive director of the council and other council staff.

Subd. 4. **Executive director; staff.** (a) The Legislative Coordinating Commission must appoint an executive director for the council. The executive director must be experienced in administrative activities and familiar with the challenges and needs of Minnesota's LGBTQIA community. The executive director serves in the unclassified service at the pleasure of the Legislative Coordinating Commission.

(b) The Legislative Coordinating Commission must establish a process for recruiting and selecting applicants for the executive director position. This process must include consultation and collaboration with the council.

(c) The executive director and council members must work together in fulfilling council duties. The executive director must consult with the commissioner of administration to ensure appropriate financial, purchasing, human resources, and other services for operation of the council.

(d) Once appointed, the council is responsible for supervising the work of the executive director. The council chair must report to the chair of the Legislative Coordinating Commission regarding the performance of the executive director, including recommendations regarding any disciplinary actions. The executive director must appoint and supervise the work of other staff necessary to carry out the duties of the council. The executive director must consult with the council chair prior to taking the following disciplinary actions with council staff: written reprimand, suspension, demotion, or discharge. The executive director and other council staff are executive branch employees.

(e) The executive director must submit the council's biennial budget request to the commissioner of management and budget as provided under chapter 16A.

Subd. 5. **Duties of council.** (a) The council must work for the implementation of economic, social, legal, and political equality for Minnesota's LGBTQIA community. The council shall work with the legislature and governor to carry out this work by performing the duties in this section.

(b) The council shall advise the governor and the legislature on issues confronting the LGBTQIA community. This may include but is not limited to presenting the results of surveys, studies, and community forums to the appropriate executive departments and legislative committees.

(c) The council shall advise the governor and the legislature of administrative and legislative changes needed to improve the economic and social condition of Minnesota's LGBTQIA community. This may include but is not limited to working with legislators to develop legislation to address issues and to work for passage of legislation. This may also include making recommendations regarding the state's affirmative action program and the state's targeted group small business program or working with state agencies and organizations to develop business opportunities and promote economic development for the LGBTQIA community.

(d) The council shall advise the governor and the legislature of the implications and effect of proposed administrative and legislative changes on the constituency of the council. This may include but is not limited to tracking legislation, testifying as appropriate, and meeting with executive departments and legislators.

(e) The council shall serve as a liaison between state government and organizations that serve Minnesota's LGBTQIA community. This may include but is not limited to working with these organizations to carry out the duties in paragraphs (a) to (d) and working with these organizations to develop informational programs or publications to involve and empower the community in seeking improvement in their economic and social conditions.

(f) The council shall perform or contract for the performance of studies designed to suggest solutions to the problems of Minnesota's LGBTQIA community in the areas of education, employment, human rights, health, housing, social welfare, and other related areas.

(g) In carrying out duties under this subdivision, the council may act to advise on issues that affect the shared constituencies with the councils established in section 15.0145.

Subd. 6. Duties of council members. A council member shall:

- (1) attend and participate in scheduled meetings and be prepared by reviewing meeting notes;
- (2) maintain and build communication with Minnesota's LGBTQIA community;
- (3) collaborate with the council and executive director in carrying out the council's duties; and
- (4) participate in activities the council or executive director deem appropriate and necessary to facilitate the goals and duties of the council.

Subd. 7. Reports. The council must report on the measurable outcomes achieved in the council's current strategic plan to meet its statutory duties, along with the specific objectives and outcome measures proposed for the following year. The council must submit the report by January 15 each year to the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government operations. Each report must cover the calendar year of the year before the report is submitted. The specific objectives and outcome measures for the following current year must focus on three or four achievable objectives, action steps, and measurable outcomes that the council will be held accountable. The strategic plan may include other items that support the statutory purposes of the council but should not distract from the primary statutory proposals presented. The biennial budget of the council must be submitted to the Legislative Coordinating Commission by February 1 in each odd-numbered year.

Sec. 11. **[15B.18] CAPITOL CAMPUS DESIGN FRAMEWORK.**

(a) An update to the Capitol Campus Design Framework must include:

(1) plans to integrate green space campuswide, including but not limited to the addition of green space on the following sites at the approximate sizes indicated:

(i) the southwest corner of Rice Street and University Avenue, with a minimum size of 20,700 square feet;

(ii) the northeast corner of Rice Street and University Avenue, with a minimum size of 32,000 square feet; and

(iii) the north side of the State Capitol building adjacent to University Avenue;

(2) plans for visual markers and welcome information for the Capitol campus at one or more corners of Rice Street and University Avenue, anchoring a pathway to the State Capitol building and Capitol Mall that features interpretive markers honoring the importance and stature of the Capitol campus as both a historic site and as a modern, active public gathering space for all Minnesotans; and

(3) plans to plant trees throughout the Capitol campus, prioritizing the creation of a mature tree canopy to provide an area of shade for users of the Capitol Mall between or adjacent to the State Capitol building and Martin Luther King, Jr. Boulevard.

(b) The Capitol Area Architectural and Planning Board must contract with one or more professional design consultants with expertise on horticulture, landscape architecture, civic space design, infrastructure assessment, and operations and maintenance planning to develop the framework updates. The board must additionally consult with the commissioners of administration and public safety and the senate majority leader and the speaker of the house or their designees before any proposed framework update is approved. The board must approve the updated design framework no later than December 31, 2023.

Sec. 12. Minnesota Statutes 2022, section 16A.055, is amended by adding a subdivision to read:

Subd. 7. **Grant acceptance.** The commissioner may apply for and receive grants from any source for the purpose of fulfilling any of the duties of the department. All funds received under this subdivision are appropriated to the commissioner for the purposes for which the funds are received.

Sec. 13. **[16A.091] PLANNING, STRATEGY, AND PERFORMANCE MANAGEMENT.**

(a) The commissioner of management and budget is responsible for the coordination, development, assessment, and communication of information, performance measures, planning, and policy concerning the state's future.

(b) The commissioner must develop a statewide system of economic, social, and environmental performance measures. The commissioner must provide information to assist public and elected officials with understanding the status of these performance measures.

(c) The commissioner may appoint one deputy with principal responsibility for planning, strategy, and performance management.

Sec. 14. Minnesota Statutes 2022, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 14.46; 14.53; 16B.2975, subdivision 4; 16B.48; 16B.54; 16B.58; 16B.85; 16E.14; 43A.55; and 176.591; ~~and the fund established in section 43A.30; and the account established in section 16A.1286.~~

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

Sec. 15. Minnesota Statutes 2022, section 16A.1286, subdivision 2, is amended to read:

Subd. 2. **Billing procedures.** The commissioner may bill ~~up to \$10,000,000 in~~ each fiscal year for statewide systems services provided to state agencies, ~~judicial branch agencies, the University of Minnesota~~ in the executive, judicial, and legislative branches, the Minnesota State Colleges and Universities, and other entities. Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. ~~Billing policies and procedures related to statewide systems services must be developed by the commissioner in consultation with the commissioners of management and budget and administration, the University of Minnesota, and the Minnesota State Colleges and Universities.~~ The commissioner shall develop billing policies and procedures.

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

Sec. 16. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.**

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

(a) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

(b) "Commissioner" means the commissioner of administration.

(c) "Electric arc furnace" means a furnace that produces molten alloy metal and heats the charge materials with electric arcs from carbon electrodes.

(d) "Eligible material" means:

(1) carbon steel rebar;

(2) structural steel;

(3) concrete; or

(4) asphalt paving mixtures.

(e) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space;

(2) renovation of more than 50,000 gross square feet of occupied or conditioned space in a state building whose renovation cost exceeds 50 percent of the building's assessed value; or

(3) new construction or reconstruction of two or more lane-miles of a trunk highway.

(f) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a lifecycle assessment of the environmental impacts of manufacturing a specific product by a specific firm, including the impacts of extracting and producing the raw materials and components that compose the product;

(2) is verified by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

(g) "Global warming potential" has the meaning given in section 216H.10, subdivision 6.

(h) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(i) "Integrated steel manufacturing" means the production of iron and subsequently steel from primarily iron ore or iron ore pellets. An integrated steel manufacturing process can include a blast furnace, a basic oxygen furnace for refining molten iron into steel, but may also include furnaces that continuously feed direct-reduced iron ore pellets as the primary source of iron.

(j) "Lifecycle" means an analysis that includes the environmental impacts of all stages of a specific product's production, from mining and processing its raw materials to the process of manufacturing the product itself.

(k) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(l) "Secondary steel manufacturing" means the production of steel where primarily ferrous scrap and other metallic inputs are recycled by melting and refining in electric arc furnaces.

(m) "State building" means a building that is owned by the state of Minnesota or a Minnesota state agency.

(n) "Structural steel" means steel that is classified by the shapes of its cross-sections, such as I, T, and C shapes.

(o) "Supply chain specific" means an environmental product declaration that includes specific data for the production processes of the materials and components composing a product that contribute

at least 80 percent of the product's lifecycle global warming potential, as defined in International Organization for Standardization standard 21930.

Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner must, based upon a recommendation from the Environmental Standards Procurement Task Force in subdivision 5, establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following schedule:

(1) for concrete used in buildings, no later than January 15, 2026; and

(2) for carbon steel rebar and structural steel and, after conferring with the commissioner of transportation, for asphalt paving mixtures and concrete pavement, no later than January 15, 2028.

(b) The commissioner must, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material, establish the maximum acceptable global warming potential for that eligible material.

(c) The commissioner may set different maximum global warming potentials for different specific products and sub product categories that are examples of the same eligible material based on distinctions between eligible material production and manufacturing processes such as integrated versus secondary steel production.

(d) The commissioner must establish maximum global warming potentials that are consistent with criteria in an environmental product declaration.

(e) Not later than three years after establishing the maximum global warming potential for an eligible material under paragraph (a), and not longer than every three years thereafter, the commissioner, after conferring with the commissioner of transportation with respect to asphalt paving mixtures and concrete pavement, must review the maximum acceptable global warming potential for each eligible material and for specific eligible material products. The commissioner may adjust any of those values downward to reflect industry improvements if, based on the process described in paragraph (b), the commissioner determines that the industry average has declined.

Subd. 3. **Procurement process.** The commissioners of administration and transportation must, based upon the recommendations of the Environmental Procurement Task Force, establish processes for incorporating the maximum allowable global warming potential of eligible materials into their bidding processes by the effective dates established in subdivision 2.

Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the commissioner of administration must establish a pilot program that seeks to obtain from vendors an estimate of the lifecycle greenhouse gas emissions of products selected by the department from among those procured. The pilot program must encourage, but may not require, a vendor to submit the following data for each selected product that represents at least 90 percent of the total cost of the materials or components composing the selected product:

(1) the quantity of the product purchased by the department;

(2) a current environmental product declaration for the product;

- (3) the name and location of the product's manufacturer;
- (4) a copy of the vendor's Supplier Code of Conduct, if any;
- (5) the names and locations of the product's actual production facilities; and
- (6) an assessment of employee working conditions at the product's production facilities.

(b) The commissioner must construct a publicly accessible or adopt an existing publicly accessible database that must be posted on the department website and must contain the data reported to the department under this subdivision. The data must be reported in a manner that does not disclose, directly or in combination with other publicly available data, the identification of the product manufacturer.

Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October 1, 2023, the commissioners of administration and transportation must establish an Environmental Standards Procurement Task Force to examine issues surrounding the implementation of a program requiring vendors of certain construction materials purchased by the state to:

(1) submit environmental product declarations that assess the lifecycle environmental impacts of those materials to state officials as part of the procurement process; and

(2) meet standards established by the commissioner that limit greenhouse gas emission impacts of those materials.

(b) The task force must examine, at a minimum, the following:

(1) which construction materials should be subject to the program requirements;

(2) what factors should be considered in establishing greenhouse gas emission standards including distinctions between eligible material production and manufacturing processes such as integrated versus secondary steel production;

(3) a schedule for the development of standards for specific materials and for incorporating the standards into the purchasing process including distinctions between eligible material production and manufacturing processes;

(4) the development and use of financial incentives to reward vendors for developing products whose greenhouse gas emissions are below the standards;

(5) the provision of grants to defer a vendor's cost to obtain environmental product declarations;

(6) how the issues in clauses (1) to (5) are addressed by existing programs in other states and countries;

(7) how to coordinate with the federal Buy Clean Task Force established under Executive Order 14057 and representatives of the United States Departments of Commerce, Energy, Housing and Urban Development, Transportation; the Environmental Protection Agency; the General Services Administration; the White House Office of Management and Budget; and the White House Domestic Climate Policy Council; and

(8) any other issues the task force deems relevant.

(c) The task force must make recommendations to the commissioners of administration and transportation regarding:

(1) how the agencies must implement requirements requiring maximum global warming impacts for eligible materials are integrated into the bidding process for eligible projects;

(2) what incentive structures can be included in bidding processes to encourage the use of materials below the maximum global warming potential;

(3) how a successful bidder for a contract will notify the commissioner of the specific environmental product declaration for a material used on a project;

(4) a process for waiving the requirements to procure materials below the maximum global warming potential in case of product supply problems, geographic impracticability, or financial hardship;

(5) a system for awarding grants to manufacturers of eligible materials located in Minnesota to offset the cost of obtaining environmental product declarations or otherwise collect environmental product declaration data from manufacturers based in Minnesota;

(6) whether to use an industry average or a different method to set the maximum allowable global warming potential, or whether that average could be used for some materials but not others; and

(7) any other items it deems appropriate for the implementation of this section.

(d) Members of the task force must include, but may not be limited to, representatives of:

(1) the Departments of Administration and Transportation;

(2) the Center for Sustainable Building Research at the University of Minnesota;

(3) the Aggregate and Ready Mix Association of Minnesota;

(4) the Concrete Paving Association of Minnesota;

(5) the Minnesota Asphalt Pavement Association;

(6) the Minnesota Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design;

(7) a representative of the Minnesota steel industry;

(8) building and transportation construction firms;

(9) suppliers of eligible materials;

(10) organized labor in the construction trades;

(11) organized labor in the manufacturing or industrial sectors;

(12) environmental advocacy organizations; and

(13) environmental justice organizations.

(e) The Department of Administration must provide meeting space and serve as staff to the task force.

(f) The commissioner, or the commissioner's designee, must serve as chair of the task force. The task force must meet at least four times annually, and must convene additional meetings at the call of the chair.

(g) The commissioner must summarize the findings and recommendations of the task force in a report submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction for state government, transportation, and energy no later than December 1, 2025, and annually thereafter until the task force expires.

(h) The task force is subject to section 15.059, subdivision 6.

(i) The task force must sunset on January 1, 2029.

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

Sec. 17. **[16B.372] ENVIRONMENTAL SUSTAINABILITY GOVERNMENT OPERATIONS; OFFICE CREATED.**

Subdivision 1. **Enterprise sustainability.** The Office of Enterprise Sustainability is established to assist all state agencies in making measurable progress toward improving the sustainability of government operations by reducing the impact on the environment, controlling unnecessary waste of natural resources and public funds, and spurring innovation. The office shall create new tools and share best practices, assist state agencies to plan for and implement improvements, and monitor progress toward achieving intended outcomes. Specific duties include but are not limited to:

(1) managing a sustainability metrics and reporting system, including a public dashboard that allows Minnesotans to track progress and is updated annually;

(2) assisting agencies in developing and executing sustainability plans; and

(3) implementing the state building energy conservation improvement revolving loan in Minnesota Statutes, sections 16B.86 and 16B.87.

Subd. 2. **State agency responsibilities.** Each cabinet-level agency is required to participate in the sustainability effort by developing a sustainability plan and by making measurable progress toward improving associated sustainability outcomes. State agencies and boards that are not members of the cabinet shall take steps toward improving sustainability outcomes. However, they are not required to participate at the level of cabinet-level agencies.

Subd. 3. **Local governments.** The Office of Enterprise Sustainability shall make reasonable attempts to share tools and best practices with local governments.

Sec. 18. [16B.373] OFFICE OF ENTERPRISE TRANSLATIONS.

Subdivision 1. Office establishment. (a) The commissioner shall establish an Office of Enterprise Translations. The office must:

- (1) provide translation services for written material for executive agencies;
- (2) create and maintain language-specific landing webpages in Spanish, Hmong, and Somali with links to translated materials at state agency websites; and
- (3) serve as a resource to executive agencies in areas such as best practices and standards for the translation of written materials.

(b) The commissioner shall determine the process and requirements for state agencies to request translations of written materials.

Subd. 2. Language access service account established. The language access service account is created in the special revenue fund for reimbursing state agencies for expenses incurred in providing language translation services.

Sec. 19. Minnesota Statutes 2022, section 16B.4805, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** "Reasonable accommodation" as used in this section has the meaning given in section 363A.08. "State agency" as used in this section has the meaning given in section 16A.011, subdivision 12. "Reasonable accommodations eligible for reimbursement" means:

- (1) reasonable accommodations provided to applicants for employment;
- (2) reasonable accommodations for employees for services that will need to be provided on a periodic or ongoing basis; or
- (3) reasonable accommodations that involve onetime expenses that total more than ~~\$1,000~~ \$500 for an employee in a fiscal year.

Sec. 20. Minnesota Statutes 2022, section 16B.97, subdivision 2, is amended to read:

Subd. 2. **Grants governance.** The commissioner shall provide leadership and direction for policy related to grants management in Minnesota in order to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that will enhance access to grant opportunities and information and lead to greater program accountability and transparency. The commissioner has the duties and powers stated in this section. ~~An executive agency~~ Executive agencies shall fully cooperate with the commissioner in the creation, management, and oversight of state grants and must do what the commissioner requires under this section. The commissioner may adopt rules to carry out grants governance, oversight, and management.

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

Sec. 21. Minnesota Statutes 2022, section 16B.97, subdivision 3, is amended to read:

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

(1) review grants management practices and ~~propose~~ establish and enforce policy and procedure improvements ~~to the governor, legislature, executive agencies, and the federal government;~~

(2) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;

(3) review, recommend, and implement alternative strategies for grants management;

(4) collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies; ~~and~~

(5) participate in conferences and other appropriate activities related to grants management issues-;

(6) suspend or debar grantees from eligibility to receive state-issued grants for up to three years for reasons specified in Minnesota Rules, part 1230.1150, subpart 2. A grantee may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension or debarment is effective by filing a written request for hearing within 20 days of notification of suspension or debarment;

(7) establish offices for the purpose of carrying out grants governance, oversight, and management; and

(8) require granting agencies to submit grant solicitation documents for review prior to issuance at dollar levels determined by the commissioner.

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

Sec. 22. Minnesota Statutes 2022, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures for particular grant programs. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

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

Sec. 23. Minnesota Statutes 2022, section 16B.98, subdivision 5, is amended to read:

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement ~~is~~ and amendments ~~are not valid and the state is not bound by the grant~~ do not bind unless:

(1) ~~the grant has~~ the grant agreement and amendments have been executed by the head of the agency or a delegate who is party to the grant;

(2) the grant agreement and amendments have been approved by the commissioner;

~~(2)~~ (3) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner except as provided in subdivision 11; and

~~(3)~~ (4) the grant agreement includes an effective date that references either section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 24. Minnesota Statutes 2022, section 16B.98, subdivision 6, is amended to read:

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into. A granting agency must report to the commissioner at any time at the commissioner's request on the status of any grant to which the agency is a party.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 25. Minnesota Statutes 2022, section 16B.98, subdivision 8, is amended to read:

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the commissioner, the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 26. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 12. **Grantee evaluations.** (a) The head of the agency or delegate entering into a grant agreement in excess of \$25,000 must submit a report to the commissioner who must make the report publicly available online.

(b) The report must:

(1) summarize the purpose of the grant;

(2) state the amount provided to the grantee; and

(3) include a written performance evaluation of the work done under the grant. The evaluation must include an appraisal of the grantee's timeliness, quality, and overall performance in meeting the terms and objectives of the grant. Grantees may request copies of evaluations prepared under

this subdivision and may respond in writing. Grantee responses must be maintained with the grant file.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 27. Minnesota Statutes 2022, section 16B.991, is amended to read:

16B.991 TERMINATION OF GRANT.

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement.

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines that further performance under the grant agreement would not serve agency purposes or is not in the best interests of the state.

Sec. 28. Minnesota Statutes 2022, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a ~~and in the Office of Strategic and Long-Range Planning;~~
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in

the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) chief executive officers in the Department of Human Services.

Sec. 29. Minnesota Statutes 2022, section 43A.18, subdivision 6, is amended to read:

Subd. 6. **Legislative and judicial branch compensation.** Total compensation plans for unclassified employees of the legislature and of legislative commissions shall be determined by the legislature consistent with chapter 3 and consistent with terms and conditions of employment under applicable collective bargaining agreements, provided that insurance benefits for these employees and for legislators shall be determined by the Legislative Coordinating Commission, consistent with sections 43A.22 to 43A.30. Total compensation plans for unclassified employees of the judicial branch shall be determined by the appointing authority, unless other law provides a different method for establishing this compensation. Judicial branch compensation plans shall be consistent with sections 43A.22 to 43A.30.

Sec. 30. Minnesota Statutes 2022, section 145.951, is amended to read:

145.951 IMPLEMENTATION PLAN; STATEWIDE PROGRAM FOR FAMILIES.

The commissioner of health, in consultation with the commissioners of education; corrections; public safety; and human services, and with the ~~directors~~ director of the ~~Office of Strategic and Long-Range Planning~~, the Council on Disability; and the councils and commission under sections 3.922, 3.9221, and 15.0145, may develop an implementation plan for the establishment of a statewide program to assist families in developing the full potential of their children. The program must be designed to strengthen the family, to reduce the risk of abuse to children, and to promote the long-term development of children in their home environments. The program must also be designed to use volunteers to provide support to parents, and to link parents with existing public health, education, and social services as appropriate.

Sec. 31. Minnesota Statutes 2022, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician, advanced practice esthetician, hair technician, nail technician practitioner, or eyelash technician ~~practitioner~~, and who has a manager license and provides any services under that license, as defined in subdivision 3.

Sec. 32. Minnesota Statutes 2022, section 155A.23, subdivision 18, is amended to read:

Subd. 18. **Practitioner.** A "practitioner" is any person licensed as an operator or manager in the practice of cosmetology, esthiology, hair technology services, nail technology services, or eyelash technology services.

Sec. 33. Minnesota Statutes 2022, section 155A.23, is amended by adding a subdivision to read:

Subd. 21. **Hair technician.** A "hair technician" is any person who, for compensation, performs personal services for the cosmetic care of the hair on the scalp. Hair technician services include cutting the hair and the application of dyes, bleach, reactive chemicals, keratin, or other preparations to color or alter the structure of the hair. A person who only performs hairstyling as defined by subdivision 19, is not a hair technician.

EFFECTIVE DATE. This section is effective on or after July 1, 2024.

Sec. 34. Minnesota Statutes 2022, section 155A.27, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must hold an individual license to practice in the state as a cosmetologist, esthetician, hair technician, nail technician, eyelash technician, advanced practice esthetician, manager, or instructor.

Sec. 35. Minnesota Statutes 2022, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board shall establish temporary licenses for a cosmetologist, hair technician, nail technician, and esthetician in accordance with section 197.4552.

Sec. 36. Minnesota Statutes 2022, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, hair technician, nail technician, ~~or~~ esthetician may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, and has passed a board-approved theory and practice-based examination, the

Minnesota-specific written operator examination for cosmetologist, hair technician, nail technician, ~~or~~ esthetician. If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources. Licenses shall not be issued under this subdivision for managers or instructors.

(b) If an individual has less than the required number of school hours, the individual must have had a current active license in another state or country for at least three years and have passed a board-approved theory and practice-based examination, and the Minnesota-specific written operator examination for cosmetologist, hair technician, nail technician, ~~or~~ esthetician. If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources. Licenses must not be issued under this subdivision for managers or instructors.

(c) Applicants claiming training and experience in a foreign country shall supply official English-language translations of all required documents from a board-approved source.

Sec. 37. **[155A.2705] HAIR TECHNICIAN REQUIREMENTS AND TRAINING.**

Subdivision 1. **Age requirement.** An applicant for a hair technician license must be at least 17 years of age.

Subd. 2. **Application.** A complete application for a hair technician license must include the following:

- (1) a completed application form;
- (2) payment of the fees required by section 155A.25;
- (3) passing test results achieved no more than one year before the submission of the application of the following board-approved tests for the license for a hair technician:
 - (i) the general theory test;
 - (ii) the written practical test; and
 - (iii) the test on Minnesota Laws and Rules related to providing hair technician services; and
- (4) proof of completion of training in the form of the original course completion certificate with the notarized signatures of the school manager or owner documenting the successful completion of the required training under subdivision 3. If the completed training is more than five years old, a skills course certificate no more than one year old must also be submitted.

Subd. 3. **Training.** Hair technician training must be completed at a Minnesota-licensed cosmetology school. The training must consist of 800 hours of coursework and planned clinical instruction and experience that includes:

- (1) the first 300 hours of the hair technology course that includes:
 - (i) student orientation;

(ii) preclinical instruction in the theory of sciences, including:

(A) muscle and bone structure and function;

(B) properties of the hair and scalp;

(C) disorders and diseases of the hair and scalp;

(D) chemistry as related to hair technology; and

(E) electricity and light related to the practice of hair technology;

(iii) theory and preclinical instruction on client and service safety prior to students offering services;

(iv) introductory service skills that are limited to the observation of an instructor demonstration, student use of mannequins, or student-to-student application of basic services related to hair technology;

(v) Minnesota statutes and rules pertaining to the regulation of hair technology;

(vi) health and safety instruction that includes:

(A) chemical safety;

(B) safety data sheets;

(C) personal protective equipment (PPE);

(D) hazardous substances; and

(E) laws and regulations related to health and public safety; and

(vii) infection control to protect the health and safety of the public and technician that includes:

(A) disinfectants;

(B) disinfectant procedures;

(C) cleaning and disinfection;

(D) single use items;

(E) storage of tools, implements, and linens; and

(F) other implements and equipment used in salons and schools;

(2) 200 hours in hair cutting and styling that includes hair and scalp analysis, cleaning, scalp and hair conditioning, hair design and shaping, drying, arranging, curling, dressing, waving, and nonchemical straightening; and

(3) 300 hours in chemical hair services that includes hair and scalp analysis, dying, bleaching, reactive chemicals, keratin, hair coloring, permanent straightening, permanent waving, predisposition and strand tests, safety precautions, chemical mixing, color formulation, and the use of dye removers.

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

Sec. 38. Minnesota Statutes 2022, section 155A.271, subdivision 1, is amended to read:

Subdivision 1. **Continuing education requirements.** (a) To qualify for license renewal under this chapter as an individual cosmetologist, hair technician, nail technician, esthetician, advanced practice esthetician, eyelash technician, or salon manager, the applicant must complete four hours of continuing education credits from a board-approved continuing education provider during the three years prior to the applicant's renewal date. One credit hour of the requirement must include instruction pertaining to state laws and rules governing the practice of cosmetology. Three credit hours must include instruction pertaining to health, safety, and infection control matters consistent with the United States Department of Labor's Occupational Safety and Health Administration standards applicable to the practice of cosmetology, or other applicable federal health, infection control, and safety standards, and must be regularly updated so as to incorporate newly developed standards and accepted professional best practices. Credit hours earned are valid for three years and may be applied simultaneously to all individual licenses held by a licensee under this chapter.

(b) ~~Effective August 1, 2017,~~ In addition to the hours of continuing education credits required under paragraph (a), to qualify for license renewal under this chapter as an individual cosmetologist, hair technician, nail technician, esthetician, advanced practice esthetician, or salon manager, the applicant must also complete a four credit hour continuing education course from a board-approved continuing education provider based on any of the following within the licensee's scope of practice:

- (1) product chemistry and chemical interaction;
- (2) proper use and maintenance of machines and instruments;
- (3) business management, professional ethics, and human relations; or
- (4) techniques relevant to the type of license held.

Credits are valid for three years and must be completed with a board-approved provider of continuing education during the three years prior to the applicant's renewal date and may be applied simultaneously to other individual licenses held as applicable, except that credits completed under this paragraph must not duplicate credits completed under paragraph (a).

(c) Paragraphs (a) and (b) do not apply to an instructor license, a school manager license, or an inactive license.

Sec. 39. Minnesota Statutes 2022, section 155A.29, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation unless the services are provided by a licensee in a licensed salon or as otherwise provided in this section. ~~Each salon must be licensed as a cosmetology salon, a nail salon, esthetician salon, advanced~~

~~practice esthetician salon, or eyelash extension salon. A salon may hold more than one type of salon license.~~

Sec. 40. Minnesota Statutes 2022, section 179A.01, is amended to read:

179A.01 PUBLIC POLICY.

(a) It is the public policy of this state and the purpose of sections 179A.01 to 179A.25 to promote orderly and constructive relationships between all public employers and their employees. This policy is subject to the paramount right of the citizens of this state to keep inviolate the guarantees for their health, education, safety, and welfare.

(b) The relationships between the public, public employees, and employer governing bodies involve responsibilities to the public and a need for cooperation and employment protection which are different from those found in the private sector. The importance or necessity of some services to the public can create imbalances in the relative bargaining power between public employees and employers. As a result, unique approaches to negotiations and resolutions of disputes between public employees and employers are necessary.

(c) Unresolved disputes between the public employer and its employees are injurious to the public as well as to the parties. Adequate means must be established for minimizing them and providing for their resolution. Within these limitations and considerations, the legislature has determined that overall policy is best accomplished by:

- (1) granting public employees certain rights to organize and choose freely their representatives;
- (2) requiring public employers to meet and negotiate with public employees in an appropriate bargaining unit and providing that the result of bargaining be in written agreements; and
- (3) establishing special rights, responsibilities, procedures, and limitations regarding public employment relationships which will provide for the protection of the rights of the public employee, the public employer, and the public at large.

~~(d) Nothing in sections 179A.01 to 179A.25 impairs, modifies, or alters the authority of the legislature to establish rates of pay, or retirement or other benefits for its employees.~~

Sec. 41. Minnesota Statutes 2022, section 179A.03, subdivision 15, is amended to read:

Subd. 15. **Public employer or employer.** (a) "Public employer" or "employer" means:

- (1) the state of Minnesota for employees of the state not otherwise provided for in this subdivision or section 179A.10 for executive branch employees;
- (2) the Board of Regents of the University of Minnesota for its employees;
- (3) the state court administrator for court employees;
- (4) the secretary of the senate for senate employees, the chief clerk of the house of representatives for employees of the house of representatives, and the executive director of the Legislative Coordinating Commission for employees of the joint offices and commissions;

(5) the state Board of Public Defense for its employees;

(5) (6) Hennepin Healthcare System, Inc.; and

(6) (7) notwithstanding any other law to the contrary, the governing body of a political subdivision or its agency or instrumentality which has final budgetary approval authority for its employees. However, the views of elected appointing authorities who have standing to initiate interest arbitration, and who are responsible for the selection, direction, discipline, and discharge of individual employees shall be considered by the employer in the course of the discharge of rights and duties under sections 179A.01 to 179A.25.

(b) When two or more units of government subject to sections 179A.01 to 179A.25 undertake a project or form a new agency under law authorizing common or joint action, the employer is the governing person or board of the created agency. The governing official or body of the cooperating governmental units shall be bound by an agreement entered into by the created agency according to sections 179A.01 to 179A.25.

(c) "Public employer" or "employer" does not include a "charitable hospital" as defined in section 179.35, subdivision 2, except that a charitable hospital as defined by section 179.35, subdivision 2, is a public employer for purposes of sections 179A.051, 179A.052, and 179A.13.

(d) Nothing in this subdivision diminishes the authority granted pursuant to law to an appointing authority with respect to the selection, direction, discipline, or discharge of an individual employee if this action is consistent with general procedures and standards relating to selection, direction, discipline, or discharge which are the subject of an agreement entered into under sections 179A.01 to 179A.25.

Sec. 42. Minnesota Statutes 2022, section 307.08, is amended to read:

307.08 DAMAGES; ILLEGAL MOLESTATION OF HUMAN REMAINS; BURIALS; CEMETERIES; PENALTY; ~~AUTHENTICATION~~ ASSESSMENT.

Subdivision 1. **Legislative intent; scope.** It is a declaration and statement of legislative intent that all human burials, human remains, and human burial grounds shall be accorded equal treatment and respect for human dignity without reference to their ethnic origins, cultural backgrounds, or religious affiliations. The provisions of this section shall apply to all human burials, human remains, or human burial grounds found on or in all public or private lands or waters in Minnesota. Within the boundaries of Tribal Nation reservations, nothing in this section should be interpreted to conflict with federal law, including the Native American Graves Protection and Repatriation Act (NAGPRA), United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10.

Subd. 2. **Felony; gross misdemeanor.** (a) A person who intentionally, willfully, and knowingly does any of the following is guilty of a felony:

(1) destroys, mutilates, or injures human burials or human burial grounds; or

(2) without the consent of the appropriate authority, disturbs human burial grounds or removes human remains.

(b) A person who, without the consent of the appropriate authority and the landowner, intentionally, willfully, and knowingly does any of the following is guilty of a gross misdemeanor:

(1) removes any tombstone, monument, or structure placed in any public or private cemetery or authenticated human burial ground; or

(2) removes any fence, railing, or other work erected for protection or ornament, or any tree, shrub, or plant or grave goods and artifacts within the limits of a public or private cemetery or authenticated human burial ground; or

(3) discharges any firearms upon or over the grounds of any public or private cemetery or authenticated burial ground.

Subd. 3. **Protective posting.** Upon the agreement of the appropriate authority and the landowner, an authenticated or recorded human burial ground may be posted for protective purposes every 75 feet around its perimeter with signs listing the activities prohibited by subdivision 2 and the penalty for violation of it. Posting is at the discretion of the Indian affairs council in the case of American Indian burials or at the discretion of the state archaeologist in the case of ~~non-Indian~~ non-American Indian burials. This subdivision does not require posting of a burial ground. The size, description, location, and information on the signs used for protective posting must be approved by the appropriate authority and the landowner.

Subd. 3a. ~~**Authentication Cemeteries; records and condition assessments.** The state archaeologist shall authenticate all burial grounds for purposes of this section. The state archaeologist may retain the services of a qualified professional archaeologist, a qualified physical anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist can use to authenticate or identify burial grounds. If probable Indian burial grounds are to be disturbed or probable Indian remains analyzed, the Indian Affairs Council must approve the professional archaeologist, qualified anthropologist, or other appropriate expert. Authentication is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.~~ (a) Cemeteries shall be assessed according to this subdivision.

(b) The state archaeologist shall implement and maintain a system of records identifying the location of known, recorded, or suspected cemeteries. The state archaeologist shall provide access to the records as provided in subdivision 11.

(c) The cemetery condition assessment of non-American Indian cemeteries is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(d) The cemetery condition assessment of American Indian cemeteries is at the discretion of the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority. If the Indian Affairs Council has possession or takes custody of remains they may follow United States Code, title 25, sections 3001 to 3013.

(e) The cemetery condition assessment of cemeteries that include American Indian and non-American Indian remains or include remains whose ancestry cannot be determined shall be assessed at the discretion of the state archaeologist in collaboration with the Indian Affairs Council

based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(f) The state archaeologist and the Indian Affairs Council shall have 90 days from the date a request is received to begin a cemetery condition assessment or provide notice to the requester whether or not a condition assessment of a cemetery is needed.

(g) The state archaeologist and the Indian Affairs Council may retain the services of a qualified professional archaeologist, a qualified forensic anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist or the Indian Affairs Council can use to assess or identify cemeteries.

Subd. 5. ~~Cost; use of data.~~ The cost of ~~authentication~~ condition assessment, recording, surveying, and marking burial grounds and the cost of identification, analysis, rescue, and reburial of human remains on public lands or waters shall be the responsibility of the state or political subdivision controlling the lands or waters. On private lands or waters these costs ~~shall~~ may be borne by the state, ~~but may be borne by~~ or the landowner upon mutual agreement with the state. ~~The state archaeologist must make the data collected for this activity available using standards adopted by the Department of Information Technology Services and geospatial technology standards and guidelines published by the Minnesota Geospatial Information Office. Costs associated with this data delivery must be borne by the state.~~

Subd. 7. **Remains found outside of recorded cemeteries.** (a) All unidentified human remains or burials found outside of recorded cemeteries or unplatted graves or burials found within recorded cemeteries and in contexts which indicate antiquity greater than 50 years shall be treated with the utmost respect for all human dignity and dealt with according to the provisions of this section.

(b) If such burials are not American Indian or their ethnic identity cannot be ascertained, as determined by the state archaeologist, they shall be dealt with in accordance with provisions established by the state archaeologist and other appropriate authority.

(c) If such burials are American Indian, as determined by the state archaeologist and Indian Affairs Council, efforts shall be made by the state archaeologist and the Indian Affairs Council to ascertain their tribal identity. If their probable tribal identity can be determined and the remains have been removed from their original context, such remains shall be turned over to contemporary tribal leaders for disposition. If tribal identity cannot be determined, the Indian remains must be dealt with in accordance with provisions established by the state archaeologist and the Indian Affairs Council if they are from public land. If removed Indian remains are from private land they shall be dealt with in accordance with provisions established by the Indian Affairs Council. If it is deemed desirable by the state archaeologist or the Indian Affairs Council, removed remains shall be studied in a timely and respectful manner by a qualified professional archaeologist or a qualified physical anthropologist before being delivered to tribal leaders or before being reburied to follow procedures as defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, within reservation boundaries. For burials outside of reservation boundaries, the procedures defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, are at the discretion of the Indian Affairs Council.

Subd. 7a. **Landowner responsibilities.** Application by a landowner for permission to develop or disturb nonburial areas within ~~authenticated~~ assessed or recorded burial grounds shall be made to:

(1) the state archaeologist and other appropriate authority in the case of ~~non-Indian~~ non-American Indian burials; and ~~to~~

(2) the Indian Affairs Council and other appropriate authority in the case of American Indian burials.

(b) Landowners with ~~authenticated~~ assessed or suspected human burial grounds on their property are obligated to inform prospective buyers of the burial ground.

Subd. 8. **Burial ground relocation.** No ~~non-Indian~~ non-American Indian burial ground may be relocated without the consent of the appropriate authority. No American Indian burial ground may be relocated unless the request to relocate is approved by the Indian Affairs Council. When a burial ground is located on public lands or waters, any burial relocations must be duly licensed under section 138.36 and the cost of removal is the responsibility of and shall be paid by the state or political subdivision controlling the lands or waters. If burial grounds are ~~authenticated~~ assessed on private lands, efforts may be made by the state to purchase and protect them instead of removing them to another location.

Subd. 9. **Interagency cooperation.** (a) The state archaeologist and the Indian Affairs Council shall enter into a memorandum of understanding to coordinate their responsibilities under this section.

(b) The Department of Natural Resources, the Department of Transportation, and all other state agencies and local governmental units whose activities may be affected, shall cooperate with the state archaeologist and the Indian Affairs Council to carry out the provisions of this section.

Subd. 10. **Construction and development plan review.** When human burials are known or suspected to exist, on public lands or waters, the state or political subdivision controlling the lands or waters or, in the case of private lands, the landowner or developer, shall submit construction and development plans to the state archaeologist for review ~~prior to the time bids are advertised~~ before plans are finalized and prior to any disturbance within the burial area. If the known or suspected burials are thought to be American Indian, plans shall also be submitted to the Indian Affairs Council. The state archaeologist and the Indian Affairs Council shall review the plans within ~~30~~ 45 days of receipt and make recommendations for the preservation in place or removal of the human burials or remains, which may be endangered by construction or development activities.

Subd. 11. **Burial sites data.** (a) ~~Burial sites locational and related data maintained by data under the authority of the Office of the State Archaeologist and accessible through the office's "Unplatted Burial Sites and Earthworks in Minnesota" website or Indian Affairs Council are security information for purposes of section 13.37. Persons who gain access to the data maintained on the site this data are subject to liability under section 13.08 and the penalty established by section 13.09 if they improperly use or further disseminate the data. Use of this information must be approved by the appropriate authority.~~

Subd. 12. **Right of entry.** The state archaeologist or designee may enter on property for the purpose of ~~authenticating~~ assessing burial sites. The Indian Affairs Council or a designated representative of the Indian Affairs Council may enter on property for the purpose of assessing or identifying American Indian cemeteries. Only after obtaining permission from the property owner or lessee, descendants of persons buried in burial grounds covered by this section may enter the burial grounds for the purpose of conducting religious or commemorative ceremonies. This right of entry must not unreasonably burden property owners or unnecessarily restrict their use of the property.

Subd. 13. **Definitions.** As used in this section, the following terms have the meanings given.

(a) "Abandoned cemetery" means a cemetery where the cemetery association has disbanded or the cemetery is neglected and contains marked graves older than 50 years.

(b) "Appropriate authority" means:

(1) the trustees when the trustees have been legally defined to administer burial grounds;

(2) the Indian Affairs Council in the case of American Indian burial grounds lacking trustees;

(3) the county board in the case of abandoned cemeteries under section 306.243; and

(4) the state archaeologist in the case of ~~non-Indian~~ non-American Indian burial grounds lacking trustees or not officially defined as abandoned.

(c) "Artifacts" means natural or artificial articles, objects, implements, or other items of archaeological interest.

(d) ~~"Authenticate"~~ "Assess" means to establish the presence of or high potential of human burials or human skeletal remains being located in a discrete area, ~~delimit the boundaries of human burial grounds or graves,~~ and attempt to determine the ethnic, cultural, or religious affiliation of individuals interred.

(e) "Burial" means the organic remnants of the human body that were intentionally interred as part of a mortuary process.

(f) "Burial ground" means a discrete location that is known to contain or has high potential to contain human remains based on physical evidence, historical records, or reliable informant accounts.

(g) "Cemetery" means a discrete location that is known to contain or intended to be used for the interment of human remains.

(h) "Disturb" means any activity that ~~significantly~~ harms the physical integrity or setting of a human burial or human burial ground.

(i) "Grave goods" means objects or artifacts directly associated with human burials or human burial grounds that were placed as part of a mortuary ritual at the time of interment.

(j) "Human remains" means the ~~calcified portion of the human~~ body of a deceased person in whole or in part, regardless of the state of decomposition, not including isolated teeth, or cremated remains deposited in a container or discrete feature.

(k) "Identification" means to analyze organic materials to attempt to determine if they represent human remains and to attempt to establish the ethnic, cultural, or religious affiliations of such remains.

(l) "Marked" means a burial that has a recognizable tombstone or obvious grave marker in place or a legible sign identifying an area as a burial ground or cemetery.

(m) "Qualified physical anthropologist" means a specialist in identifying human remains who holds an advanced degree in anthropology or a closely related field.

(n) "Qualified professional archaeologist" means an archaeologist who meets the United States Secretary of the Interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A, or subsequent revisions.

(o) "Recorded cemetery" means a cemetery that has a surveyed plat filed in a county recorder's office.

(p) "State" or "the state" means the state of Minnesota or an agency or official of the state acting in an official capacity.

(q) "Trustees" means the recognized representatives of the original incorporators, board of directors, or cemetery association.

(r) "Person" means a natural person or a business and includes both if the natural person is engaged in a business.

(s) "Business" means a contractor, subcontractor, supplier, consultant, or provider of technical, administrative, or physical services organized as a sole proprietorship, partnership, association, corporation, or other entity formed for the purpose of doing business for profit.

Sec. 43. Minnesota Statutes 2022, section 381.12, subdivision 2, is amended to read:

Subd. 2. **Expense, tax levy.** The county board of any county may levy a tax upon all the taxable property in the county for the purpose of defraying the expense incurred, or to be incurred, less any amount received from the public system monument grant program under section 381.125, for:

- (1) the preservation and restoration of monuments under this section;
- (2) the preservation or establishment of control monuments for mapping activities;
- (3) the modernization of county land records through the use of parcel-based land management systems; or
- (4) the establishment of geographic (GIS), land (LIS), management (MIS) information systems.

Sec. 44. **[381.125] PUBLIC LAND SURVEY SYSTEM MONUMENT GRANT PROGRAM.**

Subdivision 1. **Grant program.** The chief geospatial information officer, through the Geospatial Advisory Council established under section 16E.30, subdivision 8, shall work with the stakeholders licensed as land surveyors under section 326.02, to develop a process for accepting applications from counties for funding for the perpetuation of monuments established by the United States in the public lands survey to mark public land survey corners, as provided in section 381.12, subdivision 2, clause (1). Grants may also be used to update records and data regarding monuments. The chief geospatial information officer must establish criteria for prioritizing applicants when resources available for grants are not sufficient to award grants to all applicants. The criteria must favor providing grants to counties that demonstrate financial need for assistance.

Subd. 2. **Report.** By October 1, in each odd-numbered year, the chief information officer must submit a report to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over state government and local government. The report must include the following:

(1) a summary of the chief information officer activities regarding administration of this grant program for the previous fiscal year, including the amount of money requested and disbursed by county;

(2) an assessment of the progress toward completion of necessary monument restoration and certification by county; and

(3) a forecast of the amount needed to complete monument recertification in all counties.

Subd. 3. **Nonstate match.** No nonstate match is required for grants made under this program.

Sec. 45. Laws 2023, chapter 5, section 1, is amended by adding an effective date to read:

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

Sec. 46. Laws 2023, chapter 5, section 2, is amended by adding an effective date to read:

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

Sec. 47. **STATE EMBLEMS REDESIGN COMMISSION.**

Subdivision 1. **Establishment.** The State Emblems Redesign Commission is established. The purpose of the commission is to develop and adopt a new design for the official state flag and the official state seal no later than January 1, 2024.

Subd. 2. **Membership; meetings.** (a) The commission consists of the following members:

(1) three members of the public, appointed by the governor;

(2) one member appointed by the Council for Minnesotans of African Heritage;

(3) one member appointed by the Minnesota Council on Latino Affairs;

(4) one member appointed by the Council on Asian-Pacific Minnesotans;

(5) one member representing the Dakota community and one member representing the Ojibwe community, appointed by the executive board of the Indian Affairs Council;

(6) the secretary of state or the secretary's designee;

(7) the executive director of the Minnesota Historical Society or the director's designee;

(8) the chair of the Capitol Area Architectural and Planning Board or the chair's designee;

(9) the chair of the Minnesota Arts Board or the chair's designee; and

(10) the executive director of Explore Minnesota Tourism or the director's designee.

(b) The following serve as ex officio, nonvoting members of the commission: (1) two members of the house of representatives, one each appointed by the speaker of the house and the minority leader of the house; and (2) two members of the senate, one representing the majority caucus appointed by the senate majority leader and one representing the minority caucus appointed by the senate minority leader.

(c) Appointments to the commission must be made no later than August 1, 2023. The voting members of the commission shall elect a chair and vice-chair. An appointee designated by the governor shall convene the commission's first meeting. Decisions of the commission must be made by majority vote. The Minnesota Historical Society must provide office space and administrative support to the commission.

Subd. 3. **Meetings.** Meetings of the commission are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties; form and style of recommended state emblems.** The commission shall develop and adopt a new design for the official state seal and a new design for the official state flag. The designs must accurately and respectfully reflect Minnesota's shared history, resources, and diverse cultural communities. Symbols, emblems, or likenesses that represent only a single community or person, regardless of whether real or stylized, may not be included in a design. The commission may solicit and secure the voluntary service and aid of vexillologists and other persons who have either technical or artistic skill in flag construction and design, or the design of official seals, to assist in the work. The commission must also solicit public feedback and suggestions to inform its work.

Subd. 5. **Report.** The commission shall certify its adopted designs in a report to the legislature and governor no later than January 1, 2024. The commission's report must describe the symbols and other meanings incorporated in the design.

Subd. 6. **Expiration.** The commission expires upon submission of its report.

Sec. 48. **LEGISLATIVE TASK FORCE ON AGING.**

Subdivision 1. **Establishment.** A legislative task force is established to:

(1) review and develop state resources for an aging demographic;

(2) identify and prioritize necessary support for an aging population through statewide and local endeavors for people to remain in their communities; and

(3) ensure all aging-related state policies are inclusive of race, gender, ethnicity, culture, sexual orientation, abilities, and other characteristics that reflect the full population of the state.

Subd. 2. **Duties.** The task force shall review:

(1) all current aging-related governmental functions, programs, and services across all state departments;

(2) the current plans to improve health and support services workforce demographics;

(3) current public and private strategies to:

(i) support family caregivers for older adults;

(ii) define and support quality of care and life improvements in long-term care and home care; and

(iii) sustain neighborhoods and communities for an aging population;

(4) the necessity for planning and investment in aging in Minnesota to address:

(i) the longevity economy and the impact it has on the workforce, advancing technology, and innovations;

(ii) housing options, land use, transportation, social services, and the health systems;

(iii) availability of safe, affordable rental housing for aging tenants; and

(iv) coordination between health services and housing supports;

(5) coordination across all state agencies, Tribal Nations, cities, and counties to encourage resolution of aging related concerns; and

(6) from this review, determine the governmental entity to plan, lead, and implement these recommended policies and funding for aging Minnesotans across the state.

Subd. 3. **Membership.** (a) The task force shall include the following members:

(1) two members from the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members from the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the chair of the Minnesota Board on Aging, or a board member as designee;

(4) the chair of the Minnesota Council on Disability, or an agency employee as designee;

(5) the chair of the Minnesota Indian Affairs Council, or a council member, except the legislative council member, as designee; and

(6) the director of the University of Minnesota Center for Healthy Aging and Innovation, or a University of Minnesota employee as a designee.

(b) The speaker of the house and the senate majority leader shall appoint a chair and a vice-chair for the membership of the task force. The chair and the vice-chair shall rotate after each meeting.

Subd. 4. **Meetings.** (a) The task force shall meet at least once per month. The meetings shall take place in person in the Capitol complex, provided that the chair may direct that a meeting be conducted electronically if doing so would facilitate public testimony or would protect the health or safety of members of the task force.

(b) The task force shall invite input from the public, the leadership of advocacy groups, and provider organizations.

(c) The chair designated by the speaker of the house shall convene the first meeting of the task force no later than August 1, 2023.

Subd. 5. **Expenses; per diem.** Members serving on the task force shall receive the following per diem:

(1) the Board on Aging task force member who is a volunteer citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(2) the Council on Disability task force member shall not receive a per diem;

(3) the Indian Affairs Council task force member who is a citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(4) the University of Minnesota task force member shall not receive a per diem; and

(5) legislative members of the task force shall not receive a per diem.

Subd. 6. **Report.** The task force shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and state government by January 15, 2025.

Subd. 7. **Expiration.** The task force expires January 31, 2025.

EFFECTIVE DATE. This section is effective July 1, 2023, or when the legislative leaders required to make appointments to the task force name appointees beginning the day after final enactment.

Sec. 49. **INITIAL APPOINTMENTS; YOUTH ADVISORY COUNCIL.**

The governor and legislature must make initial appointments to the Youth Advisory Council under Minnesota Statutes, section 15.0146, no later than August 1, 2023. The commissioner of administration must convene the first meeting of the council no later than September 15, 2023.

Sec. 50. **INITIAL APPOINTMENTS; COUNCIL ON LGBTQIA MINNESOTANS.**

The governor and legislature must make initial appointments to the Council on LGBTQIA Minnesotans under Minnesota Statutes, section 15.0147, no later than August 1, 2023. The commissioner of administration must convene the first meeting of the council no later than September 15, 2023.

Sec. 51. **ENTERPRISE GRANTS MANAGEMENT SYSTEM FEASIBILITY STUDY.**

The commissioner of administration must assess the viability of implementing a single grants management system for executive agencies. If the results of the study determine an enterprise system is feasible, the study will further include:

- (1) an analysis of available technology options;
- (2) recommended changes to the state's organizational model, operational controls, and processes;
- (3) staffing and other resource needs;
- (4) high-level system requirements;
- (5) estimated costs; and
- (6) an implementation roadmap.

Sec. 52. **OFFICE OF SMALL AGENCIES; STUDY.**

Subdivision 1. **Study; requirements.** The commissioner of administration must review the unique issues faced by small agencies other than departments of the state as defined in section 15.01. These include boards, commissions, councils, task forces, and authorities. The study will assess whether the current support model provides adequate support for the agencies as well as their volunteer board members. The study will also examine how other states support their small agencies and provide recommendations on how to most effectively support these small agencies in their delivery of important functions of government.

Subd. 2. **Report.** By February 1, 2024, the commissioner of administration must submit the findings and recommendations of the study to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government.

Sec. 53. **SALARIES FOR CONSTITUTIONAL OFFICERS.**

The salaries of the governor, lieutenant governor, attorney general, secretary of state, and state auditor shall be increased by nine percent effective July 1, 2023. The salaries of the governor, lieutenant governor, attorney general, secretary of state, and state auditor shall be increased by 7.5 percent effective July 1, 2024.

Sec. 54. **REPEALER.**

(a) Minnesota Statutes 2022, sections 1.135, subdivisions 3 and 5; and 1.141, subdivisions 3, 4, and 6, are repealed.

(b) Minnesota Statutes 2022, section 124D.957, is repealed.

(c) Minnesota Statutes 2022, sections 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; and 124D.23, subdivision 9, are repealed.

(d) Laws 2014, chapter 287, section 25, as amended by Laws 2015, chapter 77, article 2, section 78, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective May 11, 2024.

ARTICLE 3

INFORMATION TECHNOLOGY

Section 1. Minnesota Statutes 2022, section 16E.01, subdivision 1a, is amended to read:

Subd. 1a. **Responsibilities.** The department shall provide oversight, leadership, and direction for information and telecommunications technology policy and the management, delivery, accessibility, and security of executive branch information and telecommunications technology systems and services in Minnesota. The department shall partner with executive branch state agencies to manage strategic investments in information and telecommunications technology systems and services to ensure sufficient access to and efficient delivery of accessible government services and to maximize benefits for the state government as an enterprise.

Sec. 2. Minnesota Statutes 2022, section 16E.01, is amended by adding a subdivision to read:

Subd. 1b. **Deputy; appointments.** The commissioner may appoint a deputy, assistant commissioners, and a confidential secretary. Each serves at the commissioner's pleasure in the unclassified service.

Sec. 3. Minnesota Statutes 2022, section 16E.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The department shall:

(1) manage the efficient and effective use of available federal, state, local, and public-private resources to develop statewide information and telecommunications technology systems and services and its infrastructure;

(2) approve state agency and intergovernmental information and telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) promote cooperation and collaboration among state and local governments in developing intergovernmental information and telecommunications technology systems and services;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches, as requested;

~~(5)~~ continue the development of North Star, the state's official comprehensive online service and information initiative;

~~(6)~~ (5) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

~~(7)~~ (6) manage and promote the regular and periodic reinvestment in the information and telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

~~(8)~~ (7) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services and electronic data practices and privacy within the executive branch;

~~(9)~~ (8) eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by state agencies;

~~(10)~~ (9) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations;

~~(11)~~ (10) ensure overall security of the state's information and technology systems and services; and

~~(12)~~ (11) manage and direct compliance with accessibility standards for informational technology, including hardware, software, websites, online forms, and online surveys.

(b) The chief information officer, in consultation with the commissioner of management and budget, must determine when it is cost-effective for agencies to develop and use shared information and telecommunications technology systems, platforms, and services for the delivery of electronic digital government services. The chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of management and budget to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

(c) A state agency that has an information and telecommunications technology project, whether funded as part of the biennial budget or by any other means, shall register with the department by submitting basic project startup documentation as specified by the chief information officer in both format and content. State agency project leaders, in accordance with policies and standards set forth by the chief information officer, must demonstrate that the project will be properly managed, provide updates to the project documentation as changes are proposed, and regularly report on the current status of the project on a schedule agreed to with the chief information officer. The chief information officer has the authority to define a project for the purposes of this chapter.

(d) The chief information officer shall monitor progress on any active information and telecommunications technology project with a total expected project cost of more than \$5,000,000 and report on the performance of the project in comparison with the plans for the project in terms

of time, scope, and budget. The chief information officer may conduct an independent project audit of the project. The audit analysis and evaluation of the projects subject to paragraph (c) must be presented to agency executive sponsors, the project governance bodies, and the chief information officer. All reports and responses must become part of the project record.

(e) For any active information and telecommunications technology project with a total expected project cost of more than \$10,000,000, the state agency must perform an annual independent audit that conforms to published project audit principles adopted by the department.

(f) The chief information officer shall report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the department regarding projects the department has reviewed under paragraph (a), clause (10). The report must include ~~the reasons for the determinations made in the review of each project and a description of its current status:~~

- (1) each project in the IT portfolio whose status is either active or on hold;
- (2) each project presented to the office for consultation in the time since the last report;
- (3) the information technology cost associated with the project;
- (4) the current status of the information technology project;
- (5) the date the information technology project is expected to be completed; and
- (6) the projected costs for ongoing support and maintenance after the project is complete.

Sec. 4. Minnesota Statutes 2022, section 16E.016, is amended to read:

16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.

(a) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, ~~and~~ development, and lifecycle management of the following information technology systems and services to state agencies:

- (1) state data centers;
- (2) mainframes including system software;
- (3) servers including system software;
- (4) desktops including system software;
- (5) laptop computers including system software;
- (6) a data network including system software;
- (7) database, electronic mail, office systems, reporting, and other standard software tools;
- (8) business application software and related technical support services;

(9) help desk for the components listed in clauses (1) to (8);

(10) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to (8);

(11) regular upgrades ~~and~~, replacement, and lifecycle management for the components listed in clauses (1) to (8); and

(12) network-connected output devices.

(b) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the Department of Information Technology Services. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information officer may assign employees of the department to perform work exclusively for another state agency.

(c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Department of Information Technology Services.

(d) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.

Sec. 5. Minnesota Statutes 2022, section 16E.03, subdivision 2, is amended to read:

Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

(1) design a ~~master~~ strategic plan for information and telecommunications technology systems and services in the state and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) coordinate, review, and approve all information and telecommunications technology projects and oversee the state's information and telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and telecommunications technology systems and services that are cost-effective and support open systems environments and that are compatible with state, national, and international standards, including accessibility standards;

(4) maintain a library of systems and programs developed by the state for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware ~~and~~, software, and services necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 6. Minnesota Statutes 2022, section 16E.14, subdivision 4, is amended to read:

Subd. 4. **Cash flow.** (a) The commissioner of management and budget shall make appropriate transfers to the revolving fund when requested by the chief information officer. The chief information officer may make allotments and encumbrances in anticipation of such transfers. In addition, the chief information officer, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the chief information officer under this section must be deposited in the MNIT services revolving fund.

(b) Each biennium, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$60,000,000 from the special revenue fund or other statutory general fund as defined in section 16A.671, subdivision 3, paragraph (a), to the Department of Information Technology Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the closing period of the second fiscal year of the same biennium.

Sec. 7. Minnesota Statutes 2022, section 16E.21, subdivision 1, is amended to read:

Subdivision 1. **Account established; appropriation.** The information and telecommunications technology systems and services account is created in the special revenue fund. Receipts credited to the account are appropriated to the Department of Information Technology Services for the purpose of defraying the costs of personnel and technology for activities that create government efficiencies, secure state systems, or address project or product backlogs in accordance with this chapter.

Sec. 8. Minnesota Statutes 2022, section 16E.21, subdivision 2, is amended to read:

Subd. 2. **Charges.** (a) Upon agreement of the participating agency, the Department of Information Technology Services may collect a charge or receive a fund transfer under section 16E.0466 for purchases of information and telecommunications technology systems and services by state agencies and other governmental entities through state contracts for purposes described in subdivision 1. Charges collected under this section must be credited to the information and telecommunications technology systems and services account.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, product, or services, subject to the review of the Legislative Advisory Commission under subdivision 3.

Sec. 9. [16E.35] COUNTY AND LOCAL CYBERSECURITY GRANTS.

Subdivision 1. Cybersecurity grant program established. The Department of IT Services may make grants to political subdivisions to support addressing cybersecurity risks and cybersecurity

threats to information systems owned or operated by, or on behalf of, state, local, or Tribal governments, as provided in section 70612 of Public Law 117-58.

Subd. 2. **Match requirement.** The political subdivision receiving a grant must provide for the remainder of the costs of the project that exceed available state match appropriated funds, or that exceed goals defined in the statewide cybersecurity plan.

Subd. 3. **Criteria.** The department may set criteria for program priorities and standards of review.

Sec. 10. **REPEALER.**

Minnesota Statutes 2022, section 16E.0466, subdivision 2, is repealed.

ARTICLE 4

STATE EMPLOYEES WITH DISABILITIES

Section 1. Minnesota Statutes 2022, section 43A.01, subdivision 2, is amended to read:

Subd. 2. **Precedence of merit principles and nondiscrimination.** It is the policy of this state to provide for equal employment opportunity consistent with chapter 363A by ensuring that all personnel actions be based on the ability to perform the duties and responsibilities assigned to the position without regard to age, race, creed or religion, color, disability, sex, national origin, marital status, status with regard to public assistance, or political affiliation. It is the policy of this state to take affirmative action to eliminate the underutilization of qualified members of protected groups in the civil service, where such action is not in conflict with other provisions of this chapter or chapter 179, in order to correct imbalances and eliminate the ~~present~~ effects of ~~past~~ discrimination and support full and equal participation in the social and economic life in the state. Heads of departments and agencies must provide training to managers and supervisors that are responsible for hiring and evaluating employee performance regarding bias that can be present in the hiring and performance evaluation processes.

No contract executed pursuant to chapter 179A shall modify, waive or abridge this section and sections 43A.07 to 43A.121, 43A.15, and 43A.17 to 43A.21, except to the extent expressly permitted in those sections.

Sec. 2. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 1a. **Accommodation fund.** "Accommodation fund" means the fund created under section 16B.4805 for reimbursing state agencies for eligible expenses incurred in providing reasonable accommodations to state employees with disabilities.

Sec. 3. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 3a. **Americans with Disabilities Act.** "Americans With Disabilities Act" or "ADA" means the Americans with Disabilities Act of 1990, as amended, United States Code title 42, sections 12101 to 12117.

Sec. 4. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 18a. **Digital accessibility.** "Digital accessibility" means information and communication technology, including products, devices, services, and content that are designed and built so people with disabilities can use or participate in them, as defined by the accessibility standard adopted under section 16E.03, subdivision 9. Any statutory reference to accessible or accessibility in the context of information and communication technology includes digital accessibility.

Sec. 5. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 35a. **Reasonable accommodation.** "Reasonable accommodation" has the meaning given under section 363A.08, subdivision 6.

Sec. 6. Minnesota Statutes 2022, section 43A.04, subdivision 1a, is amended to read:

Subd. 1a. **Mission; efficiency.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) ensure that all technology utilized is accessible to employees and provided in a timely manner as described in sections 363A.42 and 363A.43 and the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9;
- ~~(5)~~ (6) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- ~~(6)~~ (7) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; and
- ~~(7)~~ (8) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department-; and
- (9) endeavor to use equitable and inclusive practices to attract and recruit protected class employees; actively eliminate discrimination against protected group employees; and ensure equitable access to development and training, advancement, and promotional opportunities.

Sec. 7. Minnesota Statutes 2022, section 43A.04, subdivision 4, is amended to read:

Subd. 4. **Administrative procedures.** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules.

Administrative procedures shall be reproduced and made available for comment in accessible digital formats under section 16E.03 to agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25, for at least 15 days prior to implementation and shall include but are not limited to:

(1) maintenance and administration of a plan of classification for all positions in the classified service and for comparisons of unclassified positions with positions in the classified service;

(2) procedures for administration of collective bargaining agreements and plans established pursuant to section 43A.18 concerning total compensation and the terms and conditions of employment for employees;

(3) procedures for effecting all personnel actions internal to the state service such as processes and requirements for agencies to publicize job openings and consider applicants who are referred or nominate themselves, conduct of selection procedures limited to employees, noncompetitive and qualifying appointments of employees and leaves of absence;

(4) maintenance and administration of employee performance appraisal, training and other programs; and

(5) procedures for pilots of the reengineered employee selection process. Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (1) and (3) may be waived for the purposes of these pilots. The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service. The commissioner will provide public notice of any pilot directly affecting the rights of and processes available to the general public and make the administrative procedures available for comment to the general public, agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior to implementation. The commissioner must publish the public notice in an accessible digital format under section 16E.03. The commissioner must provide a comment process that allows the public to submit comments through multiple formats to ensure accessibility. These formats must include telephone, digital content, and email.

Sec. 8. Minnesota Statutes 2022, section 43A.04, subdivision 7, is amended to read:

Subd. 7. **Reporting.** The commissioner shall issue a written report by February 1 and August 1 of each year to the chair of the Legislative Coordinating Commission. The report must list the number of appointments made under each of the categories in section 43A.15, the number made to the classified service other than under section 43A.15, and the number made under section 43A.08, subdivision 2a, during the six-month periods ending June 30 and December 31, respectively. The

report must be posted online and must be accessible under section 16E.03. The commissioner shall advertise these reports in multiple formats to ensure broad dissemination.

Sec. 9. Minnesota Statutes 2022, section 43A.09, is amended to read:

43A.09 RECRUITMENT.

The commissioner in cooperation with appointing authorities of all state agencies shall maintain an active recruiting program publicly conducted and designed to attract sufficient numbers of well-qualified people to meet the needs of the civil service, and to enhance the image and public esteem of state service employment. Special emphasis shall be given to recruitment of veterans and protected group members, including qualified individuals with disabilities, to assist state agencies in meeting affirmative action goals to achieve a balanced work force. All technology and digital content related to recruiting and hiring shall be accessible to people with disabilities.

Sec. 10. Minnesota Statutes 2022, section 43A.10, subdivision 2a, is amended to read:

Subd. 2a. **Application requirements.** (a) The commissioner shall establish and maintain a database of applicants for state employment. The commissioner shall establish, publicize, and enforce minimum requirements for ~~application.~~ applications, and shall ensure that:

(1) all postings shall be written so as to be relevant to the duties of the job and be nondiscriminatory;

(2) the appointing authority ~~shall enforce~~ enforces the established minimum requirements for application;

(3) the 700-hour on-the-job demonstration experience is considered an alternative, noncompetitive hiring process for classified positions for qualified individuals ~~who express interest directly to the appointing authority.~~ with disabilities; and

(4) hiring managers and others involved in the selection process are aware of the accommodation fund under section 16B.4805 to ensure that people with disabilities obtain timely and appropriate accommodations within the hiring process and the state agency can request reimbursement.

(b) The commissioner shall ensure that all online application processes and all digital content relating to the database referenced in paragraph (a) shall be accessible for people with disabilities.

Sec. 11. Minnesota Statutes 2022, section 43A.10, subdivision 7, is amended to read:

Subd. 7. **Selection process accommodations.** Upon request, the commissioner or appointing authority shall provide ~~selection process~~ reasonable accommodations to ~~an applicant with a disability that does not prevent performance of the duties of the position. The accommodations must provide an opportunity to fairly assess the ability of the applicant to perform the duties of the position notwithstanding the disability but must preserve, to the extent feasible, the validity of the selection process and equitable comparison of results with the results of competitors without disabilities.~~ a qualified applicant with a disability to ensure full participation in the selection process, including use of the accommodation fund under section 16B.4805 during the selection process. The

commissioner must ensure that each agency head is aware of the accommodation fund and its critical function of removing cost considerations from interview selection decisions.

Sec. 12. Minnesota Statutes 2022, section 43A.14, is amended to read:

43A.14 APPOINTMENTS.

All appointments to the classified service shall be based upon merit and ability to perform the duties of the position and the needs of the employing agency, including the need to achieve and maintain a representative work force, including representation of people with disabilities. For employees in a bargaining unit as defined in section 179A.10 appointments shall be subject to applicable provisions of collective bargaining agreements.

Sec. 13. Minnesota Statutes 2022, section 43A.15, subdivision 14, is amended to read:

Subd. 14. **700-hour on-the-job demonstration process and appointment experience.** (a) The commissioner shall ~~establish~~ consult with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability experts in establishing, reviewing, and modifying the qualifying procedures for applicants whose disabilities are of such a significant nature that the applicants are unable to demonstrate their abilities in the selection process. The qualifying procedures must consist of up to 700 hours of on-the-job trial work demonstration experience. Up to three persons with significant disabilities and their job coach may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience selection procedure. This ~~The 700-hour on-the-job demonstration process must be limited to applicants for whom there is no reasonable accommodation in the selection process~~ experience is an alternative, noncompetitive hiring process for qualified applicants with disabilities. All permanent executive branch classified positions are eligible for a 700-hour on-the-job demonstration experience, and all permanent classified job postings must provide information regarding the on-the-job demonstration overview and certification process.

(b) The commissioner may authorize the probationary appointment of an applicant based on the request of the appointing authority that documents that the applicant has successfully demonstrated qualifications for the position through completion of an on-the-job ~~trial work demonstration~~ demonstration experience. A qualified applicant should be converted to permanent, probationary appointments at the point in the 700-hour on-the-job experience when the applicant has demonstrated the ability to perform the essential functions of the job with or without reasonable accommodation. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363A.

(c) The commissioner and the ADA and disability employment director, described in section 43A.19, subdivision 1, paragraph (e), are responsible for the administration and oversight of the 700-hour on-the-job demonstration experience, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(d) The commissioner or the commissioner's designee shall design and implement a training curriculum for the 700-hour on-the-job demonstration experience. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and ADA coordinators must receive annual training on the program.

(e) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the 700-hour on-the-job demonstration experience under this subdivision and supported work program under section 43A.421, subdivision 2.

(f) An appointing authority must make reasonable accommodations in response to a request from an applicant with a disability, including providing accommodations in a timely manner during the application and hiring process and throughout the 700-hour on-the-job demonstration experience. Requirements for accessibility for public records under section 363A.42, continuing education under section 363A.43, and technology under section 16E.03, subdivision 2, clauses (3) and (9), apply to an agency filling an appointment during the application and hiring process and through the on-the-job demonstration experience period.

Sec. 14. Minnesota Statutes 2022, section 43A.15, is amended by adding a subdivision to read:

Subd. 14a. **Report and survey.** (a) The commissioner shall annually collect enterprise-wide statistics on the 700-hour on-the-job demonstration experience under subdivision 14. The statistics collected and reported annually must include:

- (1) the number of certifications submitted, granted, and rejected;
- (2) the number of applicants interviewed, appointed, and converted to probationary status;
- (3) the number of employees retained after one year in state employment;
- (4) the number of employees with terminated appointments and the reason for termination;
- (5) the average length of time in an on-the-job demonstration appointment;
- (6) the number and category of entity certifications; and

(7) by department or agency, the number of appointments and hires and the number of managers and supervisors trained.

(b) The commissioner shall administer an annual survey of participants in the 700-hour on-the-job demonstration experience who are hired and those who are not hired, as well as the managers of participants in the 700-hour on-the-job demonstration experience.

(c) The commissioner must consult at least annually with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability experts to review the survey results, assess program satisfaction, and recommend areas for continuous improvement.

(d) The commissioner shall annually publish a report on the department's website that includes the data described in paragraph (a), survey results described in paragraph (b), and recommendations for continuous improvement described in paragraph (c).

Sec. 15. Minnesota Statutes 2022, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. **Statewide affirmative action program.** (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate

~~the underutilization of qualified members of protected groups~~ effects of past and present discrimination, intended or unintended, on the basis of protected group status, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program must consist of at least the following:

- (1) objectives, goals, and policies;
- (2) procedures, standards, and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables are established;
- (3) the analysis of separation patterns to determine the impact on protected group members; and
- (4) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies.

Agency heads must report the data in clause (3) to the state Director of Recruitment, Retention and Affirmative Action and the state ADA coordinator, in addition to being available to anyone upon request. The commissioner must annually post the aggregate and agency-level reports under clause (4) on the agency's website.

(b) The commissioner shall establish statewide affirmative action goals for each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment, using at least the following factors:

- (1) the percentage of members of each protected class in the recruiting area population who have the necessary skills; and
- (2) the availability for promotion or transfer of current employees who are members of protected classes.

(c) The commissioner may use any of the following factors in addition to the factors required under paragraph (b):

- (1) the extent of unemployment of members of protected classes in the recruiting area population;
- (2) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and
- (3) the expected number of available positions to be filled.

(d) The commissioner shall designate a state director of diversity and equal employment opportunity who may be delegated the preparation, revision, implementation, and administration of the program. The commissioner of management and budget may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(e) The commissioner shall designate a statewide ADA and disability employment director. The commissioner may delegate the preparation, revision, implementation, evaluation, and administration of the program to the director. The director must administer the 700-hour on-the-job demonstration experience under the supported work program and disabled veteran's employment programs. The ADA and disability employment director shall have education, knowledge, and skills in disability

policy, employment, and the ADA. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(f) Agency affirmative action plans, including reports and progress, must be posted on the agency's public and internal websites within 30 days of being approved. The commissioner of management and budget shall post a link to all executive branch agency-approved affirmative action plans on its public website. Accessible copies of the affirmative action plan must be available to all employees and members of the general public upon request.

Sec. 16. Minnesota Statutes 2022, section 43A.191, is amended to read:

43A.191 AGENCY AFFIRMATIVE ACTION PROGRAMS.

Subdivision 1. **Affirmative action officers.** (a) Each agency with 1,000 employees or more shall have at least one full-time affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to affirmative action activities. The affirmative action officer shall report administratively and on policy issues directly to the agency head. The affirmative action officer shall be in the classified service.

(b) The agency heads shall assign affirmative action officers or designees for agencies with fewer than 1,000 employees. The designees shall report administratively and on policy issues directly to the agency head.

(c) An agency may not use authority under section 43A.08, subdivision 1a, to place the position of an agency affirmative action officer or designee in the unclassified service.

Subd. 2. **Agency affirmative action plans.** (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified ~~disabled~~ persons with disabilities. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19, and 363A.28, subdivision 10, and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501 to 514;

(2) methods and procedures for providing timely access to reasonable accommodations during the application process, throughout current employment, and when seeking promotion; ~~reasonable accommodation for disabled job applicants, current employees, and employees~~

(3) provisions for funding reasonable accommodations; and

(4) the number of requests made, the number of requests approved, and the number of requests reimbursed from the state accommodation account under section 16B.4805.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The agency may consult with the Council on Disability, vocational rehabilitation services, state services for the blind, and other disability experts to review and make recommendations on recruitment and retention of people with disabilities.

(d) The agency plan must identify any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with ~~severe~~ significant disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Subd. 2a. Disability recruitment, hiring, and advancement. (a) Each agency affirmative action plan must include a section that provides sufficient assurances, procedures, and commitments to provide adequate hiring, placement, and advancement opportunities for individuals with disabilities at all levels of state employment. The criteria for this section of the agency affirmative action plan must include a section on disability hiring and advancement, including the provisions in this subdivision.

(b) The plan must describe specific actions to ensure that a broad range of individuals with disabilities will be aware of and be encouraged to apply for job vacancies when eligible. The actions must include, at a minimum:

(1) the use of programs and resources that identify job applicants with disabilities who are eligible to be appointed under a hiring authority that takes disability into account, consistent with the demonstration program under section 43A.15, subdivision 14. The programs may include the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind that provide the qualifications necessary for positions within the agency to individuals with disabilities. Resources may include databases of individuals with disabilities who previously applied to the agency but were not hired for the positions they applied for, and training and internship programs that lead directly to employment for individuals with disabilities; and

(2) establishment and maintenance of contacts, that may include formal agreements, with organizations that specialize in providing assistance to individuals with disabilities in securing and maintaining employment, such as the Department of Employment and Economic Development's Vocational Rehabilitation Services, State Services for the Blind, community rehabilitation programs, day training and habilitation programs, and employment network service providers.

(c) The plan must ensure that the agency has designated sufficient staff to handle any disability-related issues that arise during the application and selection process, and shall require the agency to provide staff with sufficient training, support, and other resources to carry out the responsibilities under this section. Responsibilities include, at a minimum:

(1) ensuring that disability-related questions from members of the public regarding the agency's application and selection processes are answered promptly and correctly, including questions about

reasonable accommodations needed by job applicants during the application and selection process and questions about how individuals may apply for positions under hiring authorities that take disability into account;

(2) processing requests for reasonable accommodations needed by job applicants during the application and placement process and ensuring that the agency provides such accommodations when required;

(3) accepting applications for a position under hiring authorities that take disability into account;

(4) if an individual has applied for appointment to a particular position under a hiring authority that takes disability into account, determining whether the individual is eligible for appointment under such authority and if so forwarding the individual's application to the relevant hiring officials with an explanation of how and when the individual may be appointed, consistent with all applicable laws; and

(5) overseeing any other agency programs designed to increase hiring of individuals with disabilities.

Subd. 3. Audits; sanctions and incentives. (a) The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements. The commissioner must report all audit findings to the governor if a state agency fails to meet any of its affirmative action requirements for two consecutive years.

(b) By March 1 of each odd-numbered year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the Finance Committee of the senate, the Ways and Means Committee of the house of representatives, the Governmental Operations Committees of both houses of the legislature, and the Legislative Coordinating Commission. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 7, 10, and 12, and cover each agency's rate of compliance with affirmative action requirements. The report must be made available to the public on the department's website.

(c) An agency that does not meet its hiring goals must justify its nonaffirmative action hires in competitive appointments and noncompetitive appointments made under section 43A.08, subdivisions 1, clauses (9), (11), and (16), and 2a; and section 43A.15, subdivisions 3, 10, 12, and 13, according to criteria issued by the department of ~~Management and Budget~~. In addition, an agency shall:

(1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan;

(2) implement a coordinated retention plan; and

(3) have an established complaint resolution procedure.

(d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan.

(h) The commissioner must maintain and make available, on an annual basis, summary data as defined in section 13.02, subdivision 19, on the percentage of members of each protected group as defined in section 43A.02, subdivision 33, that were hired in the executive branch in each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment. Nothing in this provision, however, shall require any person to disclose their protected group status, nor shall it require the commissioner or any appointing authority to determine the protected group status of any person.

Sec. 17. Minnesota Statutes 2022, section 43A.21, subdivision 1, is amended to read:

Subdivision 1. **Authority; purpose.** The commissioner, in coordination with the statewide ADA and disability employment director and chief inclusion officer, shall develop and interpret policy and administer and, to the extent possible, conduct programs in training and development for employees to, at a minimum:

(1) promote individual, group and agency efficiency and effectiveness;

(2) build employee capacity to deliver accessible and inclusive services to the public, including people with disabilities; and

(3) support an inclusive work environment for employees with disabilities and employees of other protected classes.

Sec. 18. Minnesota Statutes 2022, section 43A.21, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The commissioner is responsible for developing and coordinating consistent training policy which shall be binding on all state agencies in the executive branch. The policies shall include conditions under which employees may receive or be assigned to training; internships and work-training programs; minimum and maximum training standards for employee participation and agency reporting requirements. At a minimum, state employees must receive annual training on statutes or policies related to:

(1) Title II of the Americans with Disabilities Act;

(2) the state's affirmative action policy;

(3) equal opportunity employment; and

(4) digital accessibility standards.

(b) Career development training is a permissive subject of collective bargaining. Each appointing authority in the executive branch, including the Minnesota State Retirement System and the Teachers Retirement Association, is primarily responsible for planning, budgeting, conducting and evaluating training programs.

Sec. 19. Minnesota Statutes 2022, section 43A.21, subdivision 3, is amended to read:

Subd. 3. **Programs.** (a) The commissioner or the commissioner's designee shall design and implement management training and development programs for the state service. The programs shall include but not be limited to mandatory training and development requirements for managers and supervisors. No person shall acquire permanent status in a management or supervisory position in the classified service until training and development requirements have been met.

(b) All managers and supervisors must receive training on inclusive work environments, disability awareness, cultural competence, and other equity and diversity areas.

(c) Agencies shall conduct an annual Americans with Disabilities Act self-assessment to ensure training programs meet the standards for universal design in learning.

Sec. 20. Minnesota Statutes 2022, section 43A.21, is amended by adding a subdivision to read:

Subd. 6. **Accessibility.** The commissioner must ensure that all training content and platforms meet the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9. Reasonable accommodations must be implemented in a timely and appropriate manner to ensure that all state employees can participate in state-offered trainings. All state employees, including ADA coordinators and human resources staff, must have the training and resources to implement an accessible and inclusive workplace.

Sec. 21. Minnesota Statutes 2022, section 43A.36, subdivision 1, is amended to read:

Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

(b) The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall provide recruiting assistance and make the applicant database available to appointing authorities to use in making appointments to positions in the unclassified service.

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions

prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

(d) The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

(e) Pursuant to section 43A.431, the head of each agency in the executive branch shall designate an ADA coordinator who shall have primary responsibility for the administration of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall report directly to the commissioner.

Sec. 22. Minnesota Statutes 2022, section 43A.421, is amended to read:

43A.421 SUPPORTED WORK PROGRAM.

Subdivision 1. **Program established.** A total of 50 full-time Active positions within agencies of state government may be selected for inclusion for a supported work program for persons with ~~severe~~ significant disabilities. A full-time position may be shared by up to three persons with ~~severe~~ significant disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14. All classified supported work job postings need to link to the overview and application process for the supported work program.

Subd. 2. **Responsibilities.** (a) The commissioner is responsible for the administration and oversight of the supported work program, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(b) The commissioner or the commissioner's designee shall design and implement a training curriculum for the supported work program. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and Americans with Disabilities Act coordinators must receive annual training regarding the program.

(c) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the program.

Sec. 23. [43A.431] AMERICANS WITH DISABILITIES ACT COORDINATORS.

(a) Each state agency shall designate at least one ADA coordinator who is responsible for implementation of Title I of the ADA, to advance the prohibition on discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training and other terms, conditions, and privileges of employment. The ADA coordinator must have demonstrated knowledge and experience in:

(1) the recruitment, selection, development, and retention of people with disabilities;

- (2) workforce data analysis;
- (3) disability employment laws and regulations; and
- (4) strategy development for universal and inclusive workplaces.

(b) The ADA coordinator is responsible for overseeing the development, implementation, monitoring, and evaluation of effective strategies to attract, engage, and advance people with disabilities. This includes assisting employees with identifying, acquiring, and maintaining effective accommodations and submitting reimbursement requests to the statewide accommodation fund under section 16B.4805.

(c) The ADA coordinator is responsible for collecting data and preparing reports to ensure transparency and accountability and must serve as a key liaison for disability employment and training initiatives.

Sec. 24. ADVISORY COMMITTEE ON SERVICE WORKER STANDARDS.

The commissioner of management and budget shall convene an advisory committee to review and make recommendations regarding updates and clarifications to the service worker class specifications under Minnesota Statutes, section 43A.071. By January 15, 2024, the commissioner shall report to the legislative committees with jurisdiction over state government employees on recommendations for changes to Minnesota Statutes, section 43A.071."

Delete the title and insert:

"A bill for an act relating to the operation of state government; appropriating money for the legislature, the governor's office, state auditor, attorney general, secretary of state, and certain agencies, boards, councils, and retirement funds; setting salaries for constitutional officers; changing provisions in state government operations; changing provisions for information technology; creating offices, councils, commissions, and task forces; modifying grants management oversight; establishing a pilot program for construction materials to meet certain standards for global warming potential; implementing recommendations of Advisory Task Force on State Employment and Retention of Employees with Disabilities; modifying licensing requirements under the Board of Cosmetologist Examiners; modifying processes and responsible parties for assessing cemeteries; establishing a grant program; authorizing studies; requiring reports; amending Minnesota Statutes 2022, sections 1.135, subdivisions 2, 4, 6, by adding a subdivision; 1.141, subdivision 1; 3.07; 3.09; 4.045; 16A.055, by adding a subdivision; 16A.126, subdivision 1; 16A.1286, subdivision 2; 16B.4805, subdivision 1; 16B.97, subdivisions 2, 3, 4; 16B.98, subdivisions 5, 6, 8, by adding a subdivision; 16B.991; 16E.01, subdivisions 1a, 3, by adding a subdivision; 16E.016; 16E.03, subdivision 2; 16E.14, subdivision 4; 16E.21, subdivisions 1, 2; 43A.01, subdivision 2; 43A.02, by adding subdivisions; 43A.04, subdivisions 1a, 4, 7; 43A.08, subdivision 1; 43A.09; 43A.10, subdivisions 2a, 7; 43A.14; 43A.15, subdivision 14, by adding a subdivision; 43A.18, subdivision 6; 43A.19, subdivision 1; 43A.191; 43A.21, subdivisions 1, 2, 3, by adding a subdivision; 43A.36, subdivision 1; 43A.421; 145.951; 155A.23, subdivisions 8, 18, by adding a subdivision; 155A.27, subdivisions 1, 5a, 10; 155A.271, subdivision 1; 155A.29, subdivision 1; 179A.01; 179A.03, subdivision 15; 307.08; 381.12, subdivision 2; Laws 2023, chapter 5, sections 1; 2; proposing coding for new law in Minnesota Statutes, chapters 15; 15B; 16A; 16B; 16E; 43A; 155A; 381; repealing Minnesota Statutes 2022, sections 1.135, subdivisions 3, 5; 1.141, subdivisions 3, 4, 6; 4A.01; 4A.04; 4A.06; 4A.07;

4A.11; 16E.0466, subdivision 2; 124D.23, subdivision 9; 124D.957; Laws 2014, chapter 287, section 25, as amended."

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

Senator Rest from the Committee on Taxes, to which was re-referred

S.F. No. 1258: A bill for an act relating to employment; prohibiting payment of certain sexual harassment or abuse settlements as severance; allowing a state income tax subtraction for certain damages received; amending Minnesota Statutes 2022, section 290.0132, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 181.

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

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

H.F. No. 62: A bill for an act relating to labor; modifying Public Employment Relations Board data; appropriating money; amending Minnesota Statutes 2022, sections 13.43, subdivision 6; 179A.041, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13.

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

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

S.F. No. 30: A bill for an act relating to capital investment; establishing a grant program to replace lead drinking water service lines; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 144.383; 446A.081, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 446A.

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

Page 1, line 9, strike "insure" and insert "ensure"

Page 3, line 7, delete everything after "(a)" and insert "Each applicant must submit a plan to the Department of Health for replacement of all lead service lines in the service area that describes how the recipient will prioritize the expenditure of grant money received under this section, including:"

Page 3, delete lines 8 to 19 and insert:

"(1) removing lead service lines that are an imminent threat to public health and safety;

(2) targeting areas with children with elevated blood lead levels;

(3) targeting areas with children under the age of five;

(4) how the recipient will target the removal and replacement of lead service lines that provide drinking water to schools, daycare facilities, or other properties known to the recipient to be used by disproportionately large numbers of children;

(5) targeting areas with lower-income residents and other disadvantaged communities;

(6) coordinating the replacement of publicly owned and privately owned portions of lead service lines; and

(7) coordinating the replacement of lead service lines with needed water main replacement projects for the most efficient use of money."

Page 3, line 20, after "received" insert "for the program"

Page 3, line 21, after "under" insert "subdivision 3,"

Page 3, line 30, after "include" insert ":(1)"

Page 4, line 2, delete the period and insert a semicolon

Page 4, after line 2, insert:

"(2) the number of Minnesota schools served by lead service lines, including a separate breakdown of the number of elementary schools served by lead service lines;

(3) the number of daycare facilities that are served by lead service lines; and

(4) any amounts appropriated for the grant program that remain unspent."

Page 4, delete lines 9 to 12

Page 4, line 13, delete everything after "costs."

Page 4, line 14, after "percent" insert "of the amounts appropriated for the grant program"

Page 5, after line 17, insert:

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

Page 6, after line 28, insert:

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

Sec. 6. APPROPRIATION.

\$120,000,000 in fiscal year 2024 and \$120,000,000 in fiscal year 2025 are appropriated from the general fund to the Public Facilities Authority to provide grants under Minnesota Statutes, section 446A.077. These appropriations are onetime and are available until June 30, 2033."

Renumber the subdivisions in sequence

Amend the title numbers accordingly

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

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

S.F. No. 3: A bill for an act relating to elections; modifying provisions related to voter registration; absentee voting; requiring voting instructions and sample ballots to be multilingual and interpreters to be provided in certain situations; regulating intimidation, deceptive practices, and interference with voter registration and voting; campaign finance; expanding the definition of express advocacy; providing penalties; requiring reports; amending Minnesota Statutes 2022, sections 10A.01, subdivision 16a; 10A.27, subdivision 11; 13.607, by adding a subdivision; 171.06, subdivision 3; 201.054, subdivisions 1, 2; 201.061, by adding a subdivision; 201.071, subdivision 1, as amended; 201.091, subdivision 4; 201.161; 201.162; 203B.04, subdivisions 1, 5; 203B.06, subdivisions 1, 3; 203B.12, by adding subdivisions; 203B.121, subdivision 2; 211B.15, subdivisions 1, 7b, by adding subdivisions; 211B.32, subdivision 1; Laws 2023, chapter 12, section 9; proposing coding for new law in Minnesota Statutes, chapters 204B; 211B.

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

Page 27, after line 6, insert:

"ARTICLE 4**APPROPRIATIONS****Section 1. APPROPRIATIONS.**

(a) \$709,000 in fiscal year 2024 and \$152,000 in fiscal year 2025 are appropriated from the general fund to the secretary of state to implement the provisions of this act. The base for this appropriation is \$470,000 in fiscal year 2026 and \$152,000 in fiscal year 2027.

(b) \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are appropriated from the general fund to the attorney general to enforce the voter intimidation and interference provisions of this act.

(c) \$45,000 in fiscal year 2024 is appropriated from the driver services operating account under Minnesota Statutes, section 299A.705, to the commissioner of public safety to update application forms for driver's licenses, identification cards, and instruction permits to comply with the provisions of this act."

Amend the title as follows:

Page 1, line 6, after "reports;" insert " appropriating money;"

Amend the title numbers accordingly

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

Senator Dzedzic from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 49: A bill for an act relating to human services; establishing transitional cost-sharing reduction, premium subsidy, small employer public option, and transitional health care credit; expanding eligibility for MinnesotaCare; modifying premium scale; requiring recommendations for alternative delivery and payment system; amending Minnesota Statutes 2022, sections 62V.05, by adding a subdivision; 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 290.06, by adding a subdivision.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 49 and that the report from the Committee on Health and Human Services, shown in the Journal for April 3, 2023, be amended to read:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Commerce and Consumer Protection". Amendments adopted. Report adopted.

Senator Dzedzic from the Committee on Rules and Administration, to which was re-referred

S.F. No. 73: A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing the Cannabis Advisory Council; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and hemp products; requiring labeling of cannabis flower, cannabis products, and hemp products; limiting the advertisement of cannabis flower, cannabis products, hemp products, hemp businesses products, and cannabis businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; allowing Tribal medical cannabis program manufacturers to distribute medical cannabis to Tribal medical cannabis program patients; providing for transportation of medical cannabis by Tribal medical cannabis manufacturers; taxing the sale of adult-use cannabis; establishing grant and loan programs; amending criminal penalties; prohibiting the use or possession of cannabis flower and cannabis products on a street or highway; establishing expungement procedures for certain individuals; establishing labor standards for the use of cannabis and hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related and hemp-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 16B.2975, subdivision 8; 34A.01, subdivision 4; 97B.065, subdivision 1; 97B.066, by adding a subdivision; 144.99, subdivision 1; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivision 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.18, subdivision 1; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, subdivision 6; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivision 4, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 192A.555; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3;

256J.26, subdivisions 1, 3; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 18; 297A.99, by adding a subdivision; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 609.135, subdivision 1; 609.2111; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7143, by adding a subdivision; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 289A; 295; 340A; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

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

Senator Dzedzic from the Committee on Rules and Administration, to which was referred under Rule 21, together with the committee report thereon,

S.F. No. 63: A bill for an act relating to children; preventing the use of subpoenas to gather information for out-of-state laws interfering in the use of gender-affirming health care; amending child custody and child welfare provisions related to out-of-state laws interfering in the use of gender-affirming health care; amending provisions related to warrants, arrests, and extraditions related to out-of-state laws on gender-affirming health care; amending Minnesota Statutes 2022, sections 518D.201; 518D.204; 518D.207; 629.02; 629.05; 629.06; 629.13; 629.14; proposing coding for new law in Minnesota Statutes, chapters 260; 543.

Reports the same back with the recommendation that the report from the Committee on Judiciary and Public Safety, shown in the Journal for March 27, 2023, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Senator Dzedzic from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 3187: A bill for an act relating to transportation; rail safety; providing for emergency incident preparedness for rail transport of oil and other hazardous substances; establishing railroad

training requirements; expanding training requirements to emergency managers and incident response teams; requiring incident reports; amending data provisions; modifying assessment of railroads; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 115E.042, subdivisions 2, 3, 4, 5, 6; 219.015, subdivision 2; 219.1651; 299A.55; proposing coding for new law in Minnesota Statutes, chapter 219.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 3187 and that the report from the Committee on Transportation, shown in the Journal for April 4, 2023, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety". Amendments adopted. Report adopted.

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2744: A bill for an act relating to commerce; establishing a biennial budget for Department of Commerce; modifying various provisions governing insurance; establishing a strengthen Minnesota homes program; regulating money transmitters; establishing and modifying provisions governing energy, renewable energy, and utility regulation; establishing a state competitiveness fund; making technical changes; establishing penalties; authorizing administrative rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 46.131, subdivision 11; 62D.02, by adding a subdivision; 62D.095, subdivisions 2, 3, 4, 5; 62Q.46, subdivisions 1, 3; 62Q.81, subdivision 4, by adding a subdivision; 216B.62, subdivision 3b; 216C.264, subdivision 5, by adding subdivisions; 216C.375, subdivisions 1, 3, 10, 11; proposing coding for new law in Minnesota Statutes, chapters 53B; 65A; 216C; repealing Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06; 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16; 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; 53B.27, subdivisions 1, 2, 5, 6, 7.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. If an appropriation in this act is enacted more than once in the 2023 legislative session, the appropriation must be given effect only once.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 2025

Sec. 2. DEPARTMENT OF COMMERCE

Subdivision 1. Total Appropriation \$ **33,757,000** \$ **34,660,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>30,876,000</u>	<u>31,752,000</u>
<u>Special Revenue</u>	<u>2,093,000</u>	<u>2,093,000</u>
<u>Workers'</u>		
<u>Compensation Fund</u>	<u>788,000</u>	<u>815,000</u>

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

Subd. 2. Financial Institutions 2,569,000 2,689,000

(a) \$400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides services to assist low-income and financially underserved populations to become more financially stable and secure. Money remaining after the first year is available for the second year.

(b) \$254,000 each year is to administer the requirements of Minnesota Statutes, chapter 58B.

(c) \$197,000 each year is to administer the requirements of Minnesota Statutes, section 58B.011.

Subd. 3. Administrative Services 10,088,000 10,114,000

(a) \$353,000 each year is for system modernization and cybersecurity upgrades for the unclaimed property program.

(b) \$586,000 in the first year and \$608,000 in the second year are for additional operations of the unclaimed property program.

(c) \$249,000 each year is for the senior safe fraud prevention program.

(d) \$568,000 the first year and \$537,000 the second year are for the duties under Minnesota Statutes, sections 62J.841 to 64J.845. The base for this appropriation beginning in fiscal year 2026 is \$500,000.

(e) \$150,000 each year are for a grant to Exodus Lending to expand program and operational capacity to help individuals reach financial stability through small dollar consumer loans, including through resolution of consumer short-term loans carrying interest rates grater than 36 percent. The appropriations in this paragraph are available until June 30, 2027.

(f) \$200,000 in fiscal year 2024 is appropriated to the commissioner of commerce for a grant to Exodus Lending to assist the development of a character-based small dollar loan lending program. Character-based lending is the practice of issuing loans based on the borrower's involvement in and ties to community-based organizations that provide client services, such as financial coaching. This is a onetime appropriation and is available until June 30, 2027.

Loans issued under the program must be (1) interest- and fee-free, and (2) made to Minnesotans facing significant barriers, including banking history, credit history and credit score requirements, scarcity of bank branches in lower-income communities and communities of color, and low or irregular income flows, to mainstream financial products. Mainstream financial products are products provided most commonly by regulated financial institutions, including

credit cards and installment loans. Program participants must be recruited through a statewide network of trusted community-based partners. Loan payments by borrowers must be reported to the credit bureaus.

(g) No later than July 15, 2024, and annually thereafter until fiscal year 2027, Exodus Lending must submit a report to the commissioner of commerce on the activities required of Exodus Lending under paragraphs (e) and (f). The report must detail, at minimum, each of the following for the prior calendar year:

- (1) the total number of loans granted;
- (2) the total number of participants granted loans;
- (3) an analysis of the participants' race and ethnicity, gender, and geographic locations;
- (4) the average loan amount;
- (5) the total loan amounts paid back by participants;
- (6) a list of the trusted community-based partners described under paragraph (f);
- (7) the final criteria developed for character-based small dollar loan program determinations under paragraph (f); and
- (8) summary data on the significant barriers to mainstream financial products faced by participants.

No later than August 15, 2024, and annually thereafter until fiscal year 2027, the commissioner of commerce must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over commerce and consumer protection. The report must detail the information collected by the

commissioner of commerce under paragraph (f).

(h) \$12,000 each year is for the intermediate blends of gasoline and biofuels report in Minnesota Statutes, chapter 239.791, subdivision 8.

Subd. 4. Enforcement 7,185,000 7,473,000

<u>Appropriations by Fund</u>		
<u>General</u>	<u>6,977,000</u>	<u>7,258,000</u>
<u>Workers' Compensation</u>	<u>208,000</u>	<u>215,000</u>

(a) \$811,000 each year is for five additional peace officers in the Commerce Fraud Bureau. Money under this paragraph is transferred from the general fund to the insurance fraud prevention account under Minnesota Statutes, section 45.0135, subdivision 6.

(b) \$345,000 each year is for additional staff to focus on market conduct examinations.

(c) \$283,000 each year is for the law enforcement salary increases authorized under Laws 2021 First Special Session, chapter 4, article 9, section 1.

(d) \$41,000 in fiscal year 2024 and \$21,000 in fiscal year 2025 are for body cameras worn by Commerce Fraud Bureau agents.

(e) \$208,000 in the first year and \$215,000 in the second year are from the workers' compensation fund.

(f) \$100,000 in the second year is to create and operate the Mental Health Parity and Substance Abuse Accountability Office under Minnesota Statutes, section 62Q.465. The base for fiscal year 2026 and beyond is \$175,000.

Subd. 5. Telecommunications 3,221,000 3,261,000

<u>Appropriations by Fund</u>		
<u>General</u>	<u>1,128,000</u>	<u>1,168,000</u>

<u>Special Revenue</u>	<u>2,093,000</u>	<u>2,093,000</u>
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\$2,093,000 each year is from the telecommunications access Minnesota fund account in the special revenue fund for the following transfers:

(1) \$1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This transfer is subject to Minnesota Statutes, section 16A.281;

(2) \$290,000 each year is to the chief information officer to coordinate technology accessibility and usability;

(3) \$133,000 each year is to the Legislative Coordinating Commission for captioning legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) \$50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of web-based services.

<u>Subd. 6. Insurance</u>	<u>9,163,000</u>	<u>9,567,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>8,583,000</u>	<u>8,967,000</u>
<u>Workers' Compensation</u>	<u>580,000</u>	<u>600,000</u>

(a) \$136,000 each year is to advance standardized health plan options.

(b) \$318,000 each year is to conduct a feasibility study on a proposal to offer free primary care to Minnesotans. These are onetime appropriations.

(c) \$105,000 each year is to evaluate legislation for new mandated health benefits under Minnesota Statutes, section 62J.26.

(d) \$180,000 each year is for additional staff to focus on property- and casualty-related insurance products.

(e) \$580,000 in the first year and \$600,000 in the second year are from the workers' compensation fund.

(f) \$42,000 each year is for ensuring health plan company compliance with Minnesota Statutes, section 62Q.47.

(g) \$25,000 each year is to pay the costs incurred to evaluate existing statutory health benefit mandates under article 2, section 39.

Subd. 7. <u>Weights and Measures Division</u>		<u>1,531,000</u>	<u>1,556,000</u>
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Sec. 3. <u>ATTORNEY GENERAL</u>	<u>\$</u>	<u>549,000</u>	<u>\$</u>	<u>549,000</u>
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\$549,000 each year is for the duties under Minnesota Statutes, sections 62J.841 to 64J.845.

Sec. 4. <u>DEPARTMENT OF HEALTH</u>	<u>\$</u>	<u>74,000</u>	<u>\$</u>	<u>56,000</u>
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\$69,000 the first year and \$51,000 the second year are for the duties under Minnesota Statutes, sections 62J.841 to 64J.845.

\$5,000 each year is for consultation with the commissioner of commerce to evaluate existing statutory health benefits under article 2, section 39.

Sec. 5. <u>DEPARTMENT OF EDUCATION</u>	<u>\$</u>	<u>100,000</u>	<u>\$</u>	<u>-0-</u>
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(a) \$100,000 in fiscal year 2024 is for a grant to the Minnesota Council on Economic Education. The money must be used by the council to:

(1) provide professional development to Minnesota teachers of courses or content related to personal finance or consumer protection for students in grades 9 through 12;

(2) support the direct-to-student ancillary personal finance programs that Minnesota teachers supervise and coach or that the Minnesota Council on Economic Education delivers directly to students; and

(3) provide support to geographically diverse affiliated higher education-based centers for economic education engaged in financial literacy education as it pertains to financial literacy education initiatives, including those based at Minnesota State University Mankato, St. Cloud State University, and St. Catherine University, as their work relates to activities in clauses (1) and (2).

(b) The Minnesota Council on Economic Education must prepare and submit reports to the commissioner of education in the form and manner prescribed by the commissioner that:

(1) describe the number and type of in-person and online teacher professional development opportunities provided by the Minnesota Council on Economic Education or its affiliated state centers;

(2) list the content, length, and location of the programs;

(3) identify the number of preservice and licensed teachers receiving professional development through each of these opportunities;

(4) summarize evaluations of professional opportunities for teachers; and

(5) list the number, types, and summary evaluations of the direct-to-student ancillary personal finance programs that are supported with funds from the grant.

(c) By February 15 of each year following the receipt of a grant, the Minnesota Council on Economic Education must provide a mid-year report to the commissioner of education and, on August 15 of each year

following receipt of a grant, the Minnesota Council on Economic Education must prepare a year-end report according to the requirements of paragraph (b). The reports must be prepared and filed according to Minnesota Statutes, section 3.195. The commissioner may request additional information as necessary. This is a onetime appropriation. Any balance in the first year does not cancel and is available in the second year.

Sec. 6. **PREMIUM SECURITY ACCOUNT TRANSFER; OUT.**

\$275,775,000 in fiscal year 2026 is transferred from the premium security plan account under Minnesota Statutes, section 62E.25, subdivision 1, to the general fund. This is a onetime transfer.

Sec. 7. **TRANSFER FROM CONSUMER EDUCATION ACCOUNT.**

\$100,000 in fiscal year 2024 is transferred from the consumer education account in the special revenue fund to the general fund.

Sec. 8. Laws 2022, chapter 93, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Enforcement and Examinations	-0-	522,000
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\$522,000 in fiscal year 2023 is for the auto theft prevention library under Minnesota Statutes, section 65B.84, subdivision 1, paragraph (d). This is a onetime appropriation and is available until June 30, 2024.

ARTICLE 2

INSURANCE POLICY

Section 1. Minnesota Statutes 2022, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

- (4) for filing bylaws \$25 and amendments thereto, \$10;
- (b) by other domestic and foreign companies including fraternal and reciprocal exchanges:
 - (1) for filing an application for an initial certification of authority to be admitted to transact business in this state, \$1,500;
 - (2) for filing certified copy of certificate of articles of incorporation, \$100;
 - (3) for filing annual statement, ~~\$225~~ \$300;
 - (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
 - (5) for filing bylaws, \$75 or amendments thereto, \$75;
 - (6) for each company's certificate of authority, ~~\$575~~ \$750, annually;
- (c) the following general fees apply:
 - (1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;
 - (2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;
 - (3) for license to procure insurance in unadmitted foreign companies, \$575;
 - (4) for valuing the policies of life insurance companies, ~~one cent~~ two cents per \$1,000 of insurance so valued, provided that the fee shall not exceed ~~\$13,000~~ \$26,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;
 - (5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;
 - (6) for each appointment of an agent filed with the commissioner, \$30;
 - (7) for filing forms, rates, and compliance certifications under section 60A.315, \$140 per filing, or \$125 per filing when submitted via electronic filing system. Filing fees may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;
 - (8) for annual renewal of surplus lines insurer license, ~~\$300~~ \$400.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 2. Minnesota Statutes 2022, section 62A.152, subdivision 3, is amended to read:

Subd. 3. **Provider discrimination prohibited.** All group policies and group subscriber contracts that provide benefits for mental or nervous disorder treatments in a hospital must provide direct

reimbursement for those services at a hospital or psychiatric residential treatment facility if performed by a mental health professional qualified according to section 245I.04, subdivision 2, to the extent that the services and treatment are within the scope of mental health professional licensure.

This subdivision is intended to provide payment of benefits for mental or nervous disorder treatments performed by a licensed mental health professional in a hospital or psychiatric residential treatment facility and is not intended to change or add benefits for those services provided in policies or contracts to which this subdivision applies.

Sec. 3. Minnesota Statutes 2022, section 62D.02, is amended by adding a subdivision to read:

Subd. 17. **Preventive items and services.** "Preventive items and services" has the meaning given in section 62Q.46, subdivision 1, paragraph (a).

Sec. 4. Minnesota Statutes 2022, section 62D.095, subdivision 2, is amended to read:

Subd. 2. **Co-payments.** A health maintenance contract may impose a co-payment and coinsurance consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a, and for items and services that are not preventive items and services.

Sec. 5. Minnesota Statutes 2022, section 62D.095, subdivision 3, is amended to read:

Subd. 3. **Deductibles.** A health maintenance contract ~~may~~ must not impose a deductible ~~consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a~~ for preventive items and services.

Sec. 6. Minnesota Statutes 2022, section 62D.095, subdivision 4, is amended to read:

Subd. 4. **Annual out-of-pocket maximums.** A health maintenance contract ~~may~~ must not impose an annual out-of-pocket maximum ~~consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a~~ for services rendered that are not listed under section 62D.02, subdivision 17, or for preventive items and services.

Sec. 7. Minnesota Statutes 2022, section 62D.095, subdivision 5, is amended to read:

Subd. 5. **Exceptions.** ~~No~~ Co-payments or deductibles ~~may~~ must not be imposed on preventive ~~health care items and services consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.~~

Sec. 8. [62J.841] DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 62J.841 to 62J.845, the following definitions apply.

Subd. 2. **Consumer Price Index.** "Consumer Price Index" means the Consumer Price Index, Annual Average, for All Urban Consumers, CPI-U: U.S. City Average, All Items, reported by the United States Department of Labor, Bureau of Labor Statistics, or its successor or, if the index is discontinued, an equivalent index reported by a federal authority or, if no such index is reported, "Consumer Price Index" means a comparable index chosen by the Bureau of Labor Statistics.

Subd. 3. **Generic or off-patent drug.** "Generic or off-patent drug" means any prescription drug for which any exclusive marketing rights granted under the Federal Food, Drug, and Cosmetic Act, section 351 of the federal Public Health Service Act, and federal patent law have expired, including any drug-device combination product for the delivery of a generic drug.

Subd. 4. **Manufacturer.** "Manufacturer" has the meaning provided in section 151.01, subdivision 14a, but does not include an entity required solely because the entity repackages or relabels drugs.

Subd. 5. **Prescription drug.** "Prescription drug" means a drug for human use subject to United States Code, title 21, section 353(b)(1).

Subd. 6. **Wholesale acquisition cost.** "Wholesale acquisition cost" has the meaning provided in United States Code, title 42, section 1395w-3a.

Subd. 7. **Wholesale distributor.** "Wholesale distributor" has the meaning provided in section 151.441, subdivision 14.

Sec. 9. [62J.842] EXCESSIVE PRICE INCREASES PROHIBITED.

Subdivision 1. **Prohibition.** No manufacturer shall impose, or cause to be imposed, an excessive price increase, whether directly or through a wholesale distributor, pharmacy, or similar intermediary, on the sale of any generic or off-patent drug sold, dispensed, or delivered to any consumer in the state.

Subd. 2. **Excessive price increase.** A price increase is excessive for purposes of this section when:

(1) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds:

(i) 15 percent of the wholesale acquisition cost over the immediately preceding calendar year;

or

(ii) 40 percent of the wholesale acquisition cost over the immediately preceding three calendar years; and

(2) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds \$30 for:

(i) a 30-day supply of the drug; or

(ii) a course of treatment lasting less than 30 days.

Subd. 3. **Exemption.** It is not a violation of this section for a wholesale distributor or pharmacy to increase the price of a generic or off-patent drug if the price increase is directly attributable to additional costs for the drug imposed on the wholesale distributor or pharmacy by the manufacturer of the drug.

Sec. 10. [62J.843] REGISTERED AGENT AND OFFICE WITHIN THE STATE.

Any manufacturer that sells, distributes, delivers, or offers for sale any generic or off-patent drug in the state must maintain a registered agent and office within the state.

Sec. 11. **[62J.844] ENFORCEMENT.**

Subdivision 1. **Notification.** (a) The commissioner of health shall notify the manufacturer of a generic or off-patent drug, the attorney general, and the Board of Pharmacy of any price increase that the commissioner believes may violate section 62J.842.

(b) The commissioner of management and budget and any other state agency that provides or purchases a pharmacy benefit except the Department of Human Services, and any entity under contract with a state agency to provide a pharmacy benefit other than an entity under contract with the Department of Human Services, may notify the manufacturer of a generic or off-patent drug, the attorney general, and the Board of Pharmacy of any price increase that the commissioner or entity believes may violate section 62J.842.

Subd. 2. **Submission of drug cost statement and other information by manufacturer; investigation by attorney general.** (a) Within 45 days of receiving a notice under subdivision 1, the manufacturer of the generic or off-patent drug shall submit a drug cost statement to the attorney general. The statement must:

(1) itemize the cost components related to production of the drug;

(2) identify the circumstances and timing of any increase in materials or manufacturing costs that caused any increase during the preceding calendar year, or preceding three calendar years as applicable, in the price of the drug; and

(3) provide any other information that the manufacturer believes to be relevant to a determination of whether a violation of section 62J.842 has occurred.

(b) The attorney general may investigate whether a violation of section 62J.842 has occurred, in accordance with section 8.31, subdivision 2.

Subd. 3. **Petition to court.** (a) On petition of the attorney general, a court may issue an order:

(1) compelling the manufacturer of a generic or off-patent drug to:

(i) provide the drug cost statement required under subdivision 2, paragraph (a); and

(ii) answer interrogatories, produce records or documents, or be examined under oath, as required by the attorney general under subdivision 2, paragraph (b);

(2) restraining or enjoining a violation of sections 62J.841 to 62J.845, including issuing an order requiring that drug prices be restored to levels that comply with section 62J.842;

(3) requiring the manufacturer to provide an accounting to the attorney general of all revenues resulting from a violation of section 62J.842;

(4) requiring the manufacturer to repay to all Minnesota consumers, including any third-party payers, any money acquired as a result of a price increase that violates section 62J.842;

(5) notwithstanding section 16A.151, requiring that all revenues generated from a violation of section 62J.842 be remitted to the state and deposited into a special fund, to be used for initiatives to reduce the cost to consumers of acquiring prescription drugs, if a manufacturer is unable to determine the individual transactions necessary to provide the repayments described in clause (4);

(6) imposing a civil penalty of up to \$10,000 per day for each violation of section 62J.842;

(7) providing for the attorney general's recovery of costs and disbursements incurred in bringing an action against a manufacturer found in violation of section 62J.842, including the costs of investigation and reasonable attorney's fees; and

(8) providing any other appropriate relief, including any other equitable relief as determined by the court.

(b) For purposes of paragraph (a), clause (6), every individual transaction in violation of section 62J.842 is considered a separate violation.

Subd. 4. **Private right of action.** Any action brought pursuant to section 8.31, subdivision 3a, by a person injured by a violation of section 62J.842 is for the benefit of the public.

Sec. 12. [62J.845] PROHIBITION ON WITHDRAWAL OF GENERIC OR OFF-PATENT DRUGS FOR SALE.

Subdivision 1. **Prohibition.** A manufacturer of a generic or off-patent drug is prohibited from withdrawing that drug from sale or distribution within this state for the purpose of avoiding the prohibition on excessive price increases under section 62J.842.

Subd. 2. **Notice to board and attorney general.** Any manufacturer that intends to withdraw a generic or off-patent drug from sale or distribution within the state shall provide a written notice of withdrawal to the Board of Pharmacy and the attorney general at least 90 days prior to the withdrawal.

Subd. 3. **Financial penalty.** The attorney general shall assess a penalty of \$500,000 on any manufacturer of a generic or off-patent drug that the attorney general determines has failed to comply with the requirements of this section.

Sec. 13. [62J.846] SEVERABILITY.

If any provision of sections 62J.841 to 62J.845 or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of sections 62J.841 to 62J.845 that can be given effect without the invalid provision or application.

Sec. 14. [62J.85] CITATION.

Sections 62J.85 to 62J.95 may be cited as the "Prescription Drug Affordability Act."

Sec. 15. [62J.86] DEFINITIONS.

Subdivision 1. **Definitions.** For the purposes of sections 62J.85 to 62J.95, the following terms have the meanings given.

Subd. 2. **Advisory council.** "Advisory council" means the Prescription Drug Affordability Advisory Council established under section 62J.88.

Subd. 3. **Biologic.** "Biologic" means a drug that is produced or distributed in accordance with a biologics license application approved under Code of Federal Regulations, title 42, section 447.502.

Subd. 4. **Biosimilar.** "Biosimilar" has the meaning provided in section 62J.84, subdivision 2, paragraph (b).

Subd. 5. **Board.** "Board" means the Prescription Drug Affordability Board established under section 62J.87.

Subd. 6. **Brand name drug.** "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) a new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title 45, section 262(a)(c).

Subd. 7. **Generic drug.** "Generic drug" has the meaning provided in section 62J.84, subdivision 2, paragraph (e).

Subd. 8. **Group purchaser.** "Group purchaser" has the meaning given in section 62J.03, subdivision 6, and includes pharmacy benefit managers, as defined in section 62W.02, subdivision 15.

Subd. 9. **Manufacturer.** "Manufacturer" means an entity that:

(1) engages in the manufacture of a prescription drug product or enters into a lease with another manufacturer to market and distribute a prescription drug product under the entity's own name; and

(2) sets or changes the wholesale acquisition cost of the prescription drug product it manufactures or markets.

Subd. 10. **Prescription drug product.** "Prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar.

Subd. 11. **Wholesale acquisition cost or WAC.** "Wholesale acquisition cost" or "WAC" has the meaning given in United States Code, title 42, section 1395W-3a(c)(6)(B).

Sec. 16. [62J.87] PRESCRIPTION DRUG AFFORDABILITY BOARD.

Subdivision 1. **Establishment.** The commissioner of commerce shall establish the Prescription Drug Affordability Board, which shall be governed as a board under section 15.012, paragraph (a), to protect consumers, state and local governments, health plan companies, providers, pharmacies, and other health care system stakeholders from unaffordable costs of certain prescription drugs.

Subd. 2. **Membership.** (a) The Prescription Drug Affordability Board consists of nine members appointed as follows:

(1) seven voting members appointed by the governor;

(2) one nonvoting member appointed by the majority leader of the senate; and

(3) one nonvoting member appointed by the speaker of the house.

(b) All members appointed must have knowledge and demonstrated expertise in pharmaceutical economics and finance or health care economics and finance. A member must not be an employee of, a board member of, or a consultant to a manufacturer or trade association for manufacturers, or a pharmacy benefit manager or trade association for pharmacy benefit managers.

(c) Initial appointments must be made by January 1, 2024.

Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms, except that initial appointees shall serve staggered terms of two, three, or four years as determined by lot by the secretary of state. A board member shall serve no more than two consecutive terms.

(b) A board member may resign at any time by giving written notice to the board.

Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from the members appointed by the governor.

(b) The board shall elect a chair to replace the acting chair at the first meeting of the board by a majority of the members. The chair shall serve for one year.

(c) The board shall elect a vice-chair and other officers from its membership as it deems necessary.

Subd. 5. **Staff; technical assistance.** (a) The board shall hire an executive director and other staff, who shall serve in the unclassified service. The executive director must have knowledge and demonstrated expertise in pharmacoeconomics, pharmacology, health policy, health services research, medicine, or a related field or discipline.

(b) The commissioner of health shall provide technical assistance to the board. The board may also employ or contract for professional and technical assistance as the board deems necessary to perform the board's duties.

(c) The attorney general shall provide legal services to the board.

Subd. 6. **Compensation.** The board members shall not receive compensation but may receive reimbursement for expenses as authorized under section 15.059, subdivision 3.

Subd. 7. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall meet publicly at least every three months to review prescription drug product information submitted to the board under section 62J.90. If there are no pending submissions, the chair of the board may cancel or postpone the required meeting. The board may meet in closed session when reviewing proprietary information, as determined under the standards developed in accordance with section 62J.91, subdivision 3.

(b) The board shall announce each public meeting at least three weeks prior to the scheduled date of the meeting. Any materials for the meeting shall be made public at least two weeks prior to the scheduled date of the meeting.

(c) At each public meeting, the board shall provide the opportunity for comments from the public, including the opportunity for written comments to be submitted to the board prior to a decision by the board.

Sec. 17. **[62J.88] PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.**

Subdivision 1. **Establishment.** The governor shall appoint a 18-member stakeholder advisory council to provide advice to the board on drug cost issues and to represent stakeholders' views. The governor shall appoint the members of the advisory council based on the members' knowledge and demonstrated expertise in one or more of the following areas: the pharmaceutical business; practice of medicine; patient perspectives; health care cost trends and drivers; clinical and health services research; and the health care marketplace.

Subd. 2. **Membership.** The council's membership shall consist of the following:

- (1) two members representing patients and health care consumers;
- (2) two members representing health care providers;
- (3) one member representing health plan companies;
- (4) two members representing employers, with one member representing large employers and one member representing small employers;
- (5) one member representing government employee benefit plans;
- (6) one member representing pharmaceutical manufacturers;
- (7) one member who is a health services clinical researcher;
- (8) one member who is a pharmacologist;
- (9) one member representing the commissioner of health with expertise in health economics;
- (10) one member representing pharmaceutical wholesalers;
- (11) one member representing pharmacy benefit managers;
- (12) one member from the Rare Disease Advisory Council;
- (13) one member representing generic drug manufacturers;
- (14) one member representing pharmaceutical distributors; and
- (15) one member who is an oncologist who is not employed by, under contract with, or otherwise affiliated with a hospital.

Subd. 3. **Terms.** (a) The initial appointments to the advisory council must be made by January 1, 2024. The initial appointed advisory council members shall serve staggered terms of two, three, or four years, determined by lot by the secretary of state. Following the initial appointments, the advisory council members shall serve four-year terms.

(b) Removal and vacancies of advisory council members shall be governed by section 15.059.

Subd. 4. **Compensation.** Advisory council members may be compensated according to section 15.059, except that those advisory council members designated in subdivision 2, clauses (10) to (15), must not be compensated.

Subd. 5. **Meetings.** Meetings of the advisory council are subject to chapter 13D. The advisory council shall meet publicly at least every three months to advise the board on drug cost issues related to the prescription drug product information submitted to the board under section 62J.90.

Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not expire.

Sec. 18. **[62J.89] CONFLICTS OF INTEREST.**

Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a financial or personal association that has the potential to bias or have the appearance of biasing a person's decisions in matters related to the board, the advisory council, or in the conduct of the board's or council's activities. A conflict of interest includes any instance in which a person, a person's immediate family member, including a spouse, parent, child, or other legal dependent, or an in-law of any of the preceding individuals, has received or could receive a direct or indirect financial benefit of any amount deriving from the result or findings of a decision or determination of the board. For purposes of this section, a financial benefit includes honoraria, fees, stock, the value of the member's, immediate family member's, or in-law's stock holdings, and any direct financial benefit deriving from the finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered by an independent trustee.

Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior to entering into a contractual agreement, a board or advisory council member, board staff member, or third-party contractor must disclose to the appointing authority or the board any conflicts of interest. The information disclosed must include the type, nature, and magnitude of the interests involved.

(b) A board member, board staff member, or third-party contractor with a conflict of interest with regard to any prescription drug product under review must recuse themselves from any discussion, review, decision, or determination made by the board relating to the prescription drug product.

(c) Any conflict of interest must be disclosed in advance of the first meeting after the conflict is identified or within five days after the conflict is identified, whichever is earlier.

Subd. 3. **Prohibitions.** Board members, board staff, or third-party contractors are prohibited from accepting gifts, bequeaths, or donations of services or property that raise the specter of a conflict of interest or have the appearance of injecting bias into the activities of the board.

Sec. 19. **[62J.90] PRESCRIPTION DRUG PRICE INFORMATION; DECISION TO CONDUCT COST REVIEW.**

Subdivision 1. **Drug price information from the commissioner of health and other sources.**

(a) The commissioner of health shall provide to the board the information reported to the commissioner by drug manufacturers under section 62J.84, subdivisions 3, 4, and 5. The commissioner shall provide this information to the board within 30 days of the date the information is received from drug manufacturers.

(b) The board may subscribe to one or more prescription drug pricing files, such as Medispan or FirstDatabank, or as otherwise determined by the board.

Subd. 2. **Identification of certain prescription drug products.** (a) The board, in consultation with the advisory council, shall identify selected prescription drug products based on the following criteria:

(1) brand name drugs or biologics for which the WAC increases by \$3,000 during any 12-month period or course of treatment if less than 12 months, after adjusting for changes in the consumer price index (CPI);

(2) brand name drugs or biologics with a WAC of \$60,000 or more per calendar year or per course of treatment;

(3) biosimilar drugs that have a WAC that is not at least 20 percent lower than the referenced brand name biologic at the time the biosimilar is introduced; and

(4) generic drugs for which:

(i) the price increase, adjusted for inflation using the Consumer Price Index, as defined in section 62J.841, subdivision 2, exceeds:

(A) 15 percent of the wholesale acquisition cost over the immediately preceding calendar year;
or

(B) 40 percent of the wholesale acquisition cost over the immediately preceding three calendar years; and

(ii) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds \$30 for:

(A) a 30-day supply of the drug; or

(B) a course of treatment lasting less than 30 days.

The board is not required to identify all prescription drug products that meet the criteria in this paragraph.

(b) The board, in consultation with the advisory council and the commissioner of health, may identify prescription drug products not described in paragraph (a) that may impose costs that create

significant affordability challenges for the state health care system or for patients, including but not limited to drugs to address public health emergencies.

(c) The board shall make available to the public the names and related price information of the prescription drug products identified under this subdivision, with the exception of information determined by the board to be proprietary under the standards developed by the board under section 62J.91, subdivision 3, and information provided by the commissioner of health classified as not public data under section 13.02, subdivision 8a, or as trade secret information under section 13.37, subdivision 1, paragraph (b), or as trade secret information under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended.

Subd. 3. **Determination to proceed with review.** (a) The board may initiate a cost review of a prescription drug product identified by the board under this section.

(b) The board shall consider requests by the public for the board to proceed with a cost review of any prescription drug product identified under this section.

(c) If there is no consensus among the members of the board on whether to initiate a cost review of a prescription drug product, any member of the board may request a vote to determine whether to review the cost of the prescription drug product.

Sec. 20. **[62J.91] PRESCRIPTION DRUG PRODUCT REVIEWS.**

Subdivision 1. **General.** Once a decision by the board has been made to proceed with a cost review of a prescription drug product, the board shall conduct the review and make a determination as to whether appropriate utilization of the prescription drug under review, based on utilization that is consistent with the United States Food and Drug Administration (FDA) label or standard medical practice, has led or will lead to affordability challenges for the state health care system or for patients.

Subd. 2. **Review considerations.** In reviewing the cost of a prescription drug product, the board may consider the following factors:

- (1) the price at which the prescription drug product has been and will be sold in the state;
- (2) manufacturer monetary price concessions, discounts, or rebates, and drug-specific patient assistance;
- (3) the price of therapeutic alternatives;
- (4) the cost to group purchasers based on patient access consistent with the FDA-labeled indications and standard medical practice;
- (5) measures of patient access, including cost-sharing and other metrics;
- (6) the extent to which the attorney general or a court has determined that a price increase for a generic or off-patent prescription drug product was excessive under sections 62J.842 and 62J.844;
- (7) any information a manufacturer chooses to provide; and
- (8) any other factors as determined by the board.

Subd. 3. **Public data; proprietary information.** (a) Any submission made to the board related to a drug cost review must be made available to the public with the exception of information determined by the board to be proprietary and information provided by the commissioner of health classified as not public data under section 13.02, subdivision 8a, or as trade secret information under section 13.37, subdivision 1, paragraph (b), or as trade secret information under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended.

(b) The board shall establish the standards for the information to be considered proprietary under paragraph (a) and section 62J.90, subdivision 2, including standards for heightened consideration of proprietary information for submissions for a cost review of a drug that is not yet approved by the FDA.

(c) Prior to the board establishing the standards under paragraph (b), the public shall be provided notice and the opportunity to submit comments.

(d) The establishment of standards under this subdivision is exempt from the rulemaking requirements under chapter 14, and section 14.386 does not apply.

Sec. 21. [62J.92] DETERMINATIONS; COMPLIANCE; REMEDIES.

Subdivision 1. **Upper payment limit.** (a) In the event the board finds that the spending on a prescription drug product reviewed under section 62J.91 creates an affordability challenge for the state health care system or for patients, the board shall establish an upper payment limit after considering:

(1) extraordinary supply costs, if applicable;

(2) the range of prices at which the drug is sold in the United States according to one or more pricing files accessed under section 62J.90, subdivision 1, and the range at which pharmacies are reimbursed in Canada; and

(3) any other relevant pricing and administrative cost information for the drug.

(b) An upper payment limit applies to all purchases of, and payer reimbursements for, a prescription drug that is dispensed or administered to individuals in the state in person, by mail, or by other means, and for which an upper payment limit has been established.

Subd. 2. **Implementation and administration of the upper payment limit.** (a) An upper payment limit may take effect no sooner than 120 days following the date of its public release by the board.

(b) When setting an upper payment limit for a drug subject to the Medicare maximum fair price under United States Code, title 42, section 1191(c), the board shall set the upper payment limit at the Medicare maximum fair price.

(c) Pharmacy dispensing fees must not be counted toward or subject to any upper payment limit. State-licensed independent pharmacies must not be reimbursed by health carriers and pharmacy benefit managers at amounts that are less than the upper payment limit.

(d) Health plan companies and pharmacy benefit managers shall report annually to the board, in the form and manner specified by the board, on how cost savings resulting from the establishment of an upper payment limit have been used by the health plan company or pharmacy benefit manager to benefit enrollees, including but not limited to reducing enrollee cost-sharing.

Subd. 3. **Noncompliance.** (a) The board shall, and other persons may, notify the Office of the Attorney General of a potential failure by an entity subject to an upper payment limit to comply with that limit.

(b) If the Office of the Attorney General finds that an entity was noncompliant with the upper payment limit requirements, the attorney general may pursue remedies consistent with chapter 8 or appropriate criminal charges if there is evidence of intentional profiteering.

(c) An entity who obtains price concessions from a drug manufacturer that result in a lower net cost to the stakeholder than the upper payment limit established by the board is not considered noncompliant.

(d) The Office of the Attorney General may provide guidance to stakeholders concerning activities that could be considered noncompliant.

Subd. 4. **Appeals.** (a) Persons affected by a decision of the board may request an appeal of the board's decision within 30 days of the date of the decision. The board shall hear the appeal and render a decision within 60 days of the hearing.

(b) All appeal decisions are subject to judicial review in accordance with chapter 14.

Sec. 22. [62J.93] REPORTS.

Beginning March 1, 2024, and each March 1 thereafter, the board shall submit a report to the governor and legislature on general price trends for prescription drug products and the number of prescription drug products that were subject to the board's cost review and analysis, including the result of any analysis as well as the number and disposition of appeals and judicial reviews.

Sec. 23. [62J.94] ERISA PLANS AND MEDICARE DRUG PLANS.

(a) Nothing in sections 62J.85 to 62J.95 shall be construed to require ERISA plans or Medicare Part D plans to comply with decisions of the board. ERISA plans or Medicare Part D plans are free to choose to exceed the upper payment limit established by the board under section 62J.92.

(b) Providers who dispense and administer drugs in the state must bill all payers no more than the upper payment limit without regard to whether an ERISA plan or Medicare Part D plan chooses to reimburse the provider in an amount greater than the upper payment limit established by the board.

(c) For purposes of this section, an ERISA plan or group health plan is an employee welfare benefit plan established by or maintained by an employer or an employee organization, or both, that provides employer sponsored health coverage to employees and the employee's dependents and is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Sec. 24. [62J.95] SEVERABILITY.

If any provision of sections 62J.85 to 62J.94 or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of sections 62J.85 to 62J.94 that can be given effect without the invalid provision or application.

Sec. 25. Minnesota Statutes 2022, section 62K.10, subdivision 4, is amended to read:

Subd. 4. **Network adequacy.** Each designated provider network must include a sufficient number and type of providers, including providers that specialize in mental health and substance use disorder services, to ensure that covered services are available to all enrollees without unreasonable delay. In determining network adequacy, the commissioner of health shall consider availability of services, including the following:

(1) primary care physician services are available and accessible 24 hours per day, seven days per week, within the network area;

(2) a sufficient number of primary care physicians have hospital admitting privileges at one or more participating hospitals within the network area so that necessary admissions are made on a timely basis consistent with generally accepted practice parameters;

(3) specialty physician service is available through the network or contract arrangement;

(4) mental health and substance use disorder treatment providers, including but not limited to psychiatric residential treatment facilities, are available and accessible through the network or contract arrangement;

(5) to the extent that primary care services are provided through primary care providers other than physicians, and to the extent permitted under applicable scope of practice in state law for a given provider, these services shall be available and accessible; and

(6) the network has available, either directly or through arrangements, appropriate and sufficient personnel, physical resources, and equipment to meet the projected needs of enrollees for covered health care services.

Sec. 26. Minnesota Statutes 2022, section 62Q.19, subdivision 1, is amended to read:

Subdivision 1. **Designation.** (a) The commissioner shall designate essential community providers. The criteria for essential community provider designation shall be the following:

(1) a demonstrated ability to integrate applicable supportive and stabilizing services with medical care for uninsured persons and high-risk and special needs populations, underserved, and other special needs populations; and

(2) a commitment to serve low-income and underserved populations by meeting the following requirements:

(i) has nonprofit status in accordance with chapter 317A;

(ii) has tax-exempt status in accordance with the Internal Revenue Service Code, section 501(c)(3);

(iii) charges for services on a sliding fee schedule based on current poverty income guidelines; and

(iv) does not restrict access or services because of a client's financial limitation;

(3) status as a local government unit as defined in section 62D.02, subdivision 11, a hospital district created or reorganized under sections 447.31 to 447.37, an Indian tribal government, an Indian health service unit, or a community health board as defined in chapter 145A;

(4) a former state hospital that specializes in the treatment of cerebral palsy, spina bifida, epilepsy, closed head injuries, specialized orthopedic problems, and other disabling conditions;

(5) a sole community hospital. For these rural hospitals, the essential community provider designation applies to all health services provided, including both inpatient and outpatient services. For purposes of this section, "sole community hospital" means a rural hospital that:

(i) is eligible to be classified as a sole community hospital according to Code of Federal Regulations, title 42, section 412.92, or is located in a community with a population of less than 5,000 and located more than 25 miles from a like hospital currently providing acute short-term services;

(ii) has experienced net operating income losses in two of the previous three most recent consecutive hospital fiscal years for which audited financial information is available; and

(iii) consists of 40 or fewer licensed beds;

(6) a birth center licensed under section 144.615; ~~or~~

(7) a hospital and affiliated specialty clinics that predominantly serve patients who are under 21 years of age and meet the following criteria:

(i) provide intensive specialty pediatric services that are routinely provided in fewer than five hospitals in the state; and

(ii) serve children from at least one-half of the counties in the state; or

(8) a psychiatric residential treatment facility, as defined in section 256B.0625, subdivision 45a, paragraph (b), that is certified and licensed by the commissioner of health.

(b) Prior to designation, the commissioner shall publish the names of all applicants in the State Register. The public shall have 30 days from the date of publication to submit written comments to the commissioner on the application. No designation shall be made by the commissioner until the 30-day period has expired.

(c) The commissioner may designate an eligible provider as an essential community provider for all the services offered by that provider or for specific services designated by the commissioner.

(d) For the purpose of this subdivision, supportive and stabilizing services include at a minimum, transportation, child care, cultural, and linguistic services where appropriate.

Sec. 27. Minnesota Statutes 2022, section 62Q.46, subdivision 1, is amended to read:

Subdivision 1. **Coverage for preventive items and services.** (a) "Preventive items and services" has the meaning specified in the Affordable Care Act. Preventive items and services includes:

(1) evidence-based items or services that have in effect a rating of A or B in the current recommendations of the United States Preventive Services Task Force with respect to the individual involved;

(2) immunizations for routine use in children, adolescents, and adults that have in effect a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention with respect to the individual involved. For purposes of this clause, a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention is considered in effect after the recommendation has been adopted by the Director of the Centers for Disease Control and Prevention, and a recommendation is considered to be for routine use if the recommendation is listed on the Immunization Schedules of the Centers for Disease Control and Prevention;

(3) with respect to infants, children, and adolescents, evidence-informed preventive care and screenings provided for in comprehensive guidelines supported by the Health Resources and Services Administration;

(4) with respect to women, additional preventive care and screenings that are not listed with a rating of A or B by the United States Preventive Services Task Force but that are provided for in comprehensive guidelines supported by the Health Resources and Services Administration; and

(5) all contraceptive methods established in guidelines published by the United States Food and Drug Administration.

(b) A health plan company must provide coverage for preventive items and services at a participating provider without imposing cost-sharing requirements, including a deductible, coinsurance, or co-payment. Nothing in this section prohibits a health plan company that has a network of providers from excluding coverage or imposing cost-sharing requirements for preventive items or services that are delivered by an out-of-network provider.

(c) A health plan company is not required to provide coverage for any items or services specified in any recommendation or guideline described in paragraph (a) if the recommendation or guideline is no longer included as a preventive item or service as defined in paragraph (a). Annually, a health plan company must determine whether any additional items or services must be covered without cost-sharing requirements or whether any items or services are no longer required to be covered.

(d) Nothing in this section prevents a health plan company from using reasonable medical management techniques to determine the frequency, method, treatment, or setting for a preventive item or service to the extent not specified in the recommendation or guideline.

(e) This section does not apply to grandfathered plans.

(f) This section does not apply to plans offered by the Minnesota Comprehensive Health Association.

Sec. 28. Minnesota Statutes 2022, section 62Q.46, subdivision 3, is amended to read:

Subd. 3. **Additional services not prohibited.** Nothing in this section prohibits a health plan company from providing coverage for preventive items and services in addition to those specified ~~in the Affordable Care Act~~ under subdivision 1, paragraph (a), or from denying coverage for preventive items and services that are not recommended as preventive items and services ~~specified under the Affordable Care Act~~ subdivision 1, paragraph (a). A health plan company may impose cost-sharing requirements for a treatment not described ~~in the Affordable Care Act~~ under subdivision 1, paragraph (a), even if the treatment results from a preventive item or service described ~~in the Affordable Care Act~~ under subdivision 1, paragraph (a).

Sec. 29. **[62Q.465] MENTAL HEALTH PARITY AND SUBSTANCE ABUSE ACCOUNTABILITY OFFICE.**

(a) The Mental Health Parity and Substance Abuse Accountability Office is established within the Department of Commerce to create and execute effective strategies for implementing the requirements under:

(1) section 62Q.47;

(2) the federal Mental Health Parity Act of 1996, Public Law 104-204;

(3) the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, Public Law 110-343, division C, sections 511 and 512;

(4) the Affordable Care Act, as defined under section 62A.011, subdivision 1a; and

(5) amendments made to, and federal guidance or regulations issued or adopted under, the acts listed under clauses (2) to (4).

(b) The office may oversee compliance reviews, conduct and lead stakeholder engagement, review consumer and provider complaints, and serve as a resource for ensuring health plan compliance with mental health and substance abuse requirements.

Sec. 30. Minnesota Statutes 2022, section 62Q.47, is amended to read:

62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6655, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health services, psychiatric residential treatment facility services, and inpatient hospital and residential

chemical dependency and alcoholism services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6655, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) A health plan company must not impose an NQTL with respect to mental health and substance use disorders in any classification of benefits unless, under the terms of the health plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health and substance use disorders in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL with respect to medical and surgical benefits in the same classification.

(e) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal guidance or regulations issued under, those acts.

(f) The commissioner may require information from health plan companies to confirm that mental health parity is being implemented by the health plan company. Information required may include comparisons between mental health and substance use disorder treatment and other medical conditions, including a comparison of prior authorization requirements, drug formulary design, claim denials, rehabilitation services, and other information the commissioner deems appropriate.

(g) Regardless of the health care provider's professional license, if the service provided is consistent with the provider's scope of practice and the health plan company's credentialing and contracting provisions, mental health therapy visits and medication maintenance visits shall be considered primary care visits for the purpose of applying any enrollee cost-sharing requirements imposed under the enrollee's health plan.

(h) All health plan companies offering health plans that provide coverage for alcoholism, mental health, or chemical dependency benefits shall provide reimbursement for the benefits delivered through the psychiatric Collaborative Care Model, which must include the following Current Procedural Terminology or Healthcare Common Procedure Coding System billing codes:

(1) 99492;

(2) 99493;

(3) 99494;

(4) G2214; and

(5) G0512.

This paragraph does not apply to: (i) managed care plans or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapter 256B or 256L; or (ii) health care coverage offered by the state employee group insurance program.

(i) The commissioner of commerce shall update the list of codes in paragraph (h) if any alterations or additions to the billing codes for the psychiatric Collaborative Care Model are made.

(j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated behavioral health service delivery method described at Federal Register, volume 81, page 80230, which includes a formal collaborative arrangement among a primary care team consisting of a primary care provider, a care manager, and a psychiatric consultant, and includes but is not limited to the following elements:

- (1) care directed by the primary care team;
- (2) structured care management;
- (3) regular assessments of clinical status using validated tools; and
- (4) modification of treatment as appropriate.

~~(h)~~ (k) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in consultation with the commissioner of health, shall submit a report on compliance and oversight to the chairs and ranking minority members of the legislative committees with jurisdiction over health and commerce. The report must:

(1) describe the commissioner's process for reviewing health plan company compliance with United States Code, title 42, section 18031(j), any federal regulations or guidance relating to compliance and oversight, and compliance with this section and section 62Q.53;

(2) identify any enforcement actions taken by either commissioner during the preceding 12-month period regarding compliance with parity for mental health and substance use disorders benefits under state and federal law, summarizing the results of any market conduct examinations. The summary must include: (i) the number of formal enforcement actions taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(3) detail any corrective action taken by either commissioner to ensure health plan company compliance with this section, section 62Q.53, and United States Code, title 42, section 18031(j); and

(4) describe the information provided by either commissioner to the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law.

The report must be written in nontechnical, readily understandable language and must be made available to the public by, among other means as the commissioners find appropriate, posting the report on department websites. Individually identifiable information must be excluded from the report, consistent with state and federal privacy protections.

Sec. 31. [62Q.481] COST-SHARING FOR PRESCRIPTION DRUGS AND RELATED MEDICAL SUPPLIES TO TREAT CHRONIC DISEASE.

Subdivision 1. Cost-sharing limits. (a) A health plan must limit the amount of any enrollee cost-sharing for prescription drugs prescribed to treat a chronic disease to no more than: (1) \$25 per one-month supply for each prescription drug, regardless of the amount or type of medication required

to fill the prescription; and (2) \$50 per month in total for all related medical supplies. The cost-sharing limit for related medical supplies does not increase with the number of chronic diseases for which an enrollee is treated. Coverage under this section shall not be subject to any deductible.

(b) If application of this section before an enrollee has met the enrollee's plan deductible results in: (1) health savings account ineligibility under United States Code, title 26, section 223; or (2) catastrophic health plan ineligibility under United States Code, title 42, section 18022(e), this section applies to the specific prescription drug or related medical supply only after the enrollee has met the enrollee's plan deductible.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Chronic disease" means diabetes, asthma, and allergies requiring the use of epinephrine auto-injectors.

(c) "Cost-sharing" means co-payments and coinsurance.

(d) "Related medical supplies" means syringes, insulin pens, insulin pumps, test strips, glucometers, continuous glucose monitors, epinephrine auto-injectors, asthma inhalers, and other medical supply items necessary to effectively and appropriately treat a chronic disease or administer a prescription drug prescribed to treat a chronic disease.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 32. Minnesota Statutes 2022, section 62Q.81, subdivision 4, is amended to read:

Subd. 4. **Essential health benefits; definition.** For purposes of this section, "essential health benefits" has the meaning given under section 1302(b) of the Affordable Care Act and includes:

- (1) ambulatory patient services;
- (2) emergency services;
- (3) hospitalization;
- (4) laboratory services;
- (5) maternity and newborn care;
- (6) mental health and substance use disorder services, including behavioral health treatment;
- (7) pediatric services, including oral and vision care;
- (8) prescription drugs;
- (9) preventive and wellness services and chronic disease management;
- (10) rehabilitative and habilitative services and devices; and

(11) additional essential health benefits included in the EHB-benchmark plan, as defined under the Affordable Care Act, and preventive items and services, as defined under section 62Q.46, subdivision 1, paragraph (a).

Sec. 33. Minnesota Statutes 2022, section 62Q.81, is amended by adding a subdivision to read:

Subd. 7. **Standard plans.** (a) A health plan company that offers individual health plans must ensure that no less than one individual health plan at each level of coverage described in subdivision 1, paragraph (b), clause (3), that the health plan company offers in each geographic rating area the health plan company serves, conforms to the standard plan parameters determined by the commissioner under paragraph (e).

(b) An individual health plan offered under this subdivision must be:

(1) clearly and appropriately labeled as standard plans to aid the purchaser in the selection process;

(2) marketed as standard plans and in the same manner as other individual health plans offered by the health plan company; and

(3) offered for purchase to any individual.

(c) This subdivision does not apply to catastrophic plans, grandfathered plans, small group health plans, large group health plans, health savings accounts, qualified high deductible health benefit plans, limited health benefit plans, or short-term limited-duration health insurance policies.

(d) Health plan companies must meet the requirements in this subdivision separately for plans offered through MNsure under chapter 62V and plans offered outside of MNsure.

(e) The commissioner of commerce, in consultation with the commissioner of health, must annually determine standard plan parameters, including but not limited to cost-sharing structure and covered benefits, that comprise a standard plan in Minnesota.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to individual health plans offered, issued, or renewed on or after that date.

Sec. 34. **[62W.15] CLINICIAN-ADMINISTERED DRUGS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Affiliated pharmacy" means a pharmacy in which a pharmacy benefit manager or health carrier has an ownership interest either directly or indirectly, or through an affiliate or subsidiary.

(c) "Clinician-administered drug" means an outpatient prescription drug other than a vaccine that:

(1) cannot reasonably be self-administered by the patient to whom the drug is prescribed or by an individual assisting the patient with self-administration; and

(2) is typically administered:

(i) by a health care provider authorized to administer the drug, including when acting under a physician's delegation and supervision; and

(ii) in a physician's office, hospital outpatient infusion center, or other clinical setting.

Subd. 2. **Prohibition on requiring coverage as a pharmacy benefit.** A pharmacy benefit manager or health carrier shall not require that a clinician-administered drug or the administration of a clinician-administered drug be covered as a pharmacy benefit.

Subd. 3. **Enrollee choice.** A pharmacy benefit manager or health carrier:

(1) shall permit an enrollee to obtain a clinician-administered drug from a health care provider authorized to administer the drug, or a pharmacy;

(2) shall not interfere with the enrollee's right to obtain a clinician-administered drug from their provider or pharmacy of choice, and shall not offer financial or other incentives to influence the enrollee's choice of a provider or pharmacy;

(3) shall not require clinician-administered drugs to be dispensed by a pharmacy selected by the pharmacy benefit manager or health carrier; and

(4) shall not limit or exclude coverage for a clinician-administered drug when it is not dispensed by a pharmacy selected by the pharmacy benefit manager or health carrier, if the drug would otherwise be covered.

Subd. 4. **Cost-sharing and reimbursement.** A pharmacy benefit manager or health carrier:

(1) may impose coverage or benefit limitations on an enrollee who obtains a clinician-administered drug from a health care provider authorized to administer the drug or a pharmacy, but only if the limitations would also be imposed if the drug was obtained from an affiliated pharmacy or a pharmacy selected by the pharmacy benefit manager or health carrier;

(2) may impose cost-sharing requirements on an enrollee who obtains a clinician-administered drug from a health care provider authorized to administer the drug or a pharmacy, but only if the requirements would also be imposed if the drug was obtained from an affiliated pharmacy or a pharmacy selected by the pharmacy benefit manager or health carrier; and

(3) shall not reimburse a health care provider or pharmacy for clinician-administered drugs and the drugs' administration at an amount that is lower than would be applied to an affiliated pharmacy or pharmacy selected by the pharmacy benefit manager or health carrier.

Subd. 5. **Other requirements.** A pharmacy benefit manager or health carrier:

(1) shall not require or encourage the dispensing of a clinician-administered drug to an enrollee in a manner that is inconsistent with the supply chain security controls and chain of distribution set by the federal Drug Supply Chain Security Act, United States Code, title 21, section 360eee, et seq.;

(2) shall not require a specialty pharmacy to dispense a clinician-administered drug directly to a patient with the intention that the patient transport the drug to a health care provider for administration; and

(3) may offer, but shall not require:

(i) the use of a home infusion pharmacy to dispense or administer clinician-administered drugs to enrollees; and

(ii) the use of an infusion site external to the enrollee's provider office or clinic.

Subd. 6. **Exclusion.** This section does not apply to health plans offered under chapter 256B or 256L.

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

Sec. 35. Minnesota Statutes 2022, section 151.071, subdivision 1, is amended to read:

Subdivision 1. **Forms of disciplinary action.** When the board finds that a licensee, registrant, or applicant has engaged in conduct prohibited under subdivision 2, it may do one or more of the following:

(1) deny the issuance of a license or registration;

(2) refuse to renew a license or registration;

(3) revoke the license or registration;

(4) suspend the license or registration;

(5) impose limitations, conditions, or both on the license or registration, including but not limited to: the limitation of practice to designated settings; the limitation of the scope of practice within designated settings; the imposition of retraining or rehabilitation requirements; the requirement of practice under supervision; the requirement of participation in a diversion program such as that established pursuant to section 214.31 or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(6) impose a civil penalty not exceeding \$10,000 for each separate violation, except that a civil penalty not exceeding \$25,000 may be imposed for each separate violation of section 62J.842, the amount of the civil penalty to be fixed so as to deprive a licensee or registrant of any economic advantage gained by reason of the violation, to discourage similar violations by the licensee or registrant or any other licensee or registrant, or to reimburse the board for the cost of the investigation and proceeding, including but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members; and

(7) reprimand the licensee or registrant.

Sec. 36. Minnesota Statutes 2022, section 151.071, subdivision 2, is amended to read:

Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license or registration contained in this chapter or the rules of the board. The burden of proof is on the applicant to demonstrate such qualifications or satisfaction of such requirements;

(2) obtaining a license by fraud or by misleading the board in any way during the application process or obtaining a license by cheating, or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration, conviction of a felony reasonably related to the practice of pharmacy. Conviction as used in this subdivision includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon. The board may delay the issuance of a new license or registration if the applicant has been charged with a felony until the matter has been adjudicated;

(4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner or applicant is convicted of a felony reasonably related to the operation of the facility. The board may delay the issuance of a new license or registration if the owner or applicant has been charged with a felony until the matter has been adjudicated;

(5) for a controlled substance researcher, conviction of a felony reasonably related to controlled substances or to the practice of the researcher's profession. The board may delay the issuance of a registration if the applicant has been charged with a felony until the matter has been adjudicated;

(6) disciplinary action taken by another state or by one of this state's health licensing agencies:

(i) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration in another state or jurisdiction, failure to report to the board that charges or allegations regarding the person's license or registration have been brought in another state or jurisdiction, or having been refused a license or registration by any other state or jurisdiction. The board may delay the issuance of a new license or registration if an investigation or disciplinary action is pending in another state or jurisdiction until the investigation or action has been dismissed or otherwise resolved; and

(ii) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration issued by another of this state's health licensing agencies, failure to report to the board that charges regarding the person's license or registration have been brought by another of this state's health licensing agencies, or having been refused a license or registration by another of this state's health licensing agencies. The board may delay the issuance of a new license or registration if a

disciplinary action is pending before another of this state's health licensing agencies until the action has been dismissed or otherwise resolved;

(7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of any order of the board, of any of the provisions of this chapter or any rules of the board or violation of any federal, state, or local law or rule reasonably pertaining to the practice of pharmacy;

(8) for a facility, other than a pharmacy, licensed by the board, violations of any order of the board, of any of the provisions of this chapter or the rules of the board or violation of any federal, state, or local law relating to the operation of the facility;

(9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or pharmacy practice that is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy technician or pharmacist intern if that person is performing duties allowed by this chapter or the rules of the board;

(11) for an individual licensed or registered by the board, adjudication as mentally ill or developmentally disabled, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality, by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise;

(12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist intern or performing duties specifically reserved for pharmacists under this chapter or the rules of the board;

(13) for a pharmacy, operation of the pharmacy without a pharmacist present and on duty except as allowed by a variance approved by the board;

(14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. In the case of registered pharmacy technicians, pharmacist interns, or controlled substance researchers, the inability to carry out duties allowed under this chapter or the rules of the board with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills;

(15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas dispenser, or controlled substance researcher, revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(16) for a pharmacist or pharmacy, improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(17) fee splitting, including without limitation:

(i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

(ii) referring a patient to any health care provider as defined in sections 144.291 to 144.298 in which the licensee or registrant has a financial or economic interest as defined in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the licensee's or registrant's financial or economic interest in accordance with section 144.6521; and

(iii) any arrangement through which a pharmacy, in which the prescribing practitioner does not have a significant ownership interest, fills a prescription drug order and the prescribing practitioner is involved in any manner, directly or indirectly, in setting the price for the filled prescription that is charged to the patient, the patient's insurer or pharmacy benefit manager, or other person paying for the prescription or, in the case of veterinary patients, the price for the filled prescription that is charged to the client or other person paying for the prescription, except that a veterinarian and a pharmacy may enter into such an arrangement provided that the client or other person paying for the prescription is notified, in writing and with each prescription dispensed, about the arrangement, unless such arrangement involves pharmacy services provided for livestock, poultry, and agricultural production systems, in which case client notification would not be required;

(18) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws or rules;

(19) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

(20) failure to make reports as required by section 151.072 or to cooperate with an investigation of the board as required by section 151.074;

(21) knowingly providing false or misleading information that is directly related to the care of a patient unless done for an accepted therapeutic purpose such as the dispensing and administration of a placebo;

(22) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For a pharmacist intern, pharmacy technician, or controlled substance researcher, performing duties permitted to such individuals by this chapter or the rules of the board under a lapsed or nonrenewed registration. For a facility required to be licensed under this chapter, operation of the facility under a lapsed or nonrenewed license or registration; ~~and~~

(24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge from the health professionals services program for reasons other than the satisfactory completion of the program; and

(25) for a manufacturer, a violation of section 62J.842 or 62J.845.

Sec. 37. Minnesota Statutes 2022, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following cost-sharing for all recipients, ~~effective for services provided on or after September 1, 2011:~~

(1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval;

(3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per prescription for a brand-name multisource drug listed in preferred status on the preferred drug list, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

(4) a family deductible equal to \$2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; ~~and~~

(5) total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9; and

(6) cost-sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waived service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments shall not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

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

Sec. 38. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Cost-sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

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

Sec. 39. **EVALUATION OF EXISTING STATUTORY HEALTH BENEFIT MANDATES.**

(a) The commissioner of commerce must evaluate existing Minnesota statutory provisions that would constitute a state-required benefit included in Minnesota's EHB-benchmark plan, as defined in Code of Federal Regulations, title 45, section 156.20, if the statutory provision was offered as a legislative proposal on the date of enactment of this act.

(b) The commissioner must conduct the evaluation using the process established under Minnesota Statutes, section 62J.26, subdivision 2.

(c) The commissioner may prioritize and determine the order in which statutory provisions are evaluated under this section, provided that at least one statutory provision is evaluated each year.

(d) This section expires January 1, 2034.

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

ARTICLE 3

FINANCIAL INSTITUTIONS

Section 1. Minnesota Statutes 2022, section 46.131, subdivision 11, is amended to read:

Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions account is created as a separate account in the special revenue fund. Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account.

(b) The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and funds received pursuant to subdivision 10 and the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54, subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph (b); 49.36, subdivision 1; 52.203; ~~53B.09; 53B.11, subdivision 1; 53B.38; 53B.41; 53B.43; 53C.02; 56.02; 58.10; 58A.045, subdivision 2; 59A.03; 216C.437, subdivision 12; 332A.04; and 332B.04.~~

(c) Funds in the account are annually appropriated to the commissioner of commerce for activities under this section.

Sec. 2. **[53B.28] DEFINITIONS.**

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

Subd. 2. **Acting in concert.** "Acting in concert" means persons knowingly acting together with a common goal of jointly acquiring control of a licensee, whether or not pursuant to an express agreement.

Subd. 3. **Authorized delegate.** "Authorized delegate" means a person a licensee designates to engage in money transmission on behalf of the licensee.

Subd. 4. **Average daily money transmission liability.** "Average daily money transmission liability" means the amount of the licensee's outstanding money transmission obligations in Minnesota at the end of each day in a given period of time, added together, and divided by the total number of days in the given period of time. For purposes of calculating average daily money transmission liability under this chapter for any licensee required to do so, the given period of time shall be the quarters ending March 31, June 30, September 30, and December 31.

Subd. 5. **Bank Secrecy Act.** "Bank Secrecy Act" means the Bank Secrecy Act under United States Code, title 31, section 5311, et seq., and the Bank Secrecy Act's implementing regulations, as amended and recodified from time to time.

Subd. 6. **Closed loop stored value.** "Closed loop stored value" means stored value that is redeemable by the issuer only for a good or service provided by the issuer, the issuer's affiliate, the issuer's franchisees, or an affiliate of the issuer's franchisees, except to the extent required by applicable law to be redeemable in cash for the good or service's cash value.

Subd. 7. **Control.** "Control" means:

(1) the power to vote, directly or indirectly, at least 25 percent of the outstanding voting shares or voting interests of a licensee or person in control of a licensee;

(2) the power to elect or appoint a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a person in control of a licensee; or

(3) the power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee.

Subd. 8. **Eligible rating.** "Eligible rating" means a credit rating of any of the three highest rating categories provided by an eligible rating service, whereby each category may include rating category modifiers such as "plus" or "minus" or the equivalent for any other eligible rating service. Long-term credit ratings are deemed eligible if the rating is equal to A- or higher or the equivalent from any other eligible rating service. Short-term credit ratings are deemed eligible if the rating is equal to or higher than A-2 or SP-2 by S&P, or the equivalent from any other eligible rating service. In the event that ratings differ among eligible rating services, the highest rating shall apply when determining whether a security bears an eligible rating.

Subd. 9. **Eligible rating service.** "Eligible rating service" means any Nationally Recognized Statistical Rating Organization (NRSRO), as defined by the United States Securities and Exchange Commission and any other organization designated by the commissioner by rule or order.

Subd. 10. **Federally insured depository financial institution.** "Federally insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits.

Subd. 11. **In Minnesota.** "In Minnesota" means at a physical location within the state of Minnesota for a transaction requested in person. For a transaction requested electronically or by telephone, the provider of money transmission may determine if the person requesting the transaction is in Minnesota by relying on other information provided by the person regarding the location of the individual's residential address or a business entity's principal place of business or other physical address location, and any records associated with the person that the provider of money transmission may have that indicate the location, including but not limited to an address associated with an account.

Subd. 12. **Individual.** "Individual" means a natural person.

Subd. 13. **Key individual.** "Key individual" means any individual ultimately responsible for establishing or directing policies and procedures of the licensee, including but not limited to as an executive officer, manager, director, or trustee.

Subd. 14. **Licensee.** "Licensee" means a person licensed under this chapter.

Subd. 15. **Material litigation.** "Material litigation" means litigation that, according to United States generally accepted accounting principles, is significant to a person's financial health and would be required to be disclosed in the person's annual audited financial statements, report to shareholders, or similar records.

Subd. 16. **Money.** "Money" means a medium of exchange that is authorized or adopted by the United States or a foreign government. Money includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.

Subd. 17. **Monetary value.** "Monetary value" means a medium of exchange, whether or not redeemable in money.

Subd. 18. **Money transmission.** (a) "Money transmission" means:

- (1) selling or issuing payment instruments to a person located in this state;
- (2) selling or issuing stored value to a person located in this state; or
- (3) receiving money for transmission from a person located in this state.

(b) Money includes payroll processing services. Money does not include the provision solely of online or telecommunications services or network access.

Subd. 19. **Money services business accredited state or MSB accredited state.** "Money services businesses accredited state" or "MSB accredited state" means a state agency that is accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators Association for money transmission licensing and supervision.

Subd. 20. **Multistate licensing process.** "Multistate licensing process" means any agreement entered into by and among state regulators relating to coordinated processing of applications for money transmission licenses, applications for the acquisition of control of a licensee, control determinations, or notice and information requirements for a change of key individuals.

Subd. 21. **NMLS.** "NMLS" means the Nationwide Multistate Licensing System and Registry developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators and owned and operated by the State Regulatory Registry, LLC, or any successor or affiliated entity, for the licensing and registration of persons in financial services industries.

Subd. 22. **Outstanding money transmission obligations.** (a) "Outstanding money transmission obligations" must be established and extinguished in accordance with applicable state law and means:

(1) any payment instrument or stored value issued or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for the licensee, or escheated in accordance with applicable abandoned property laws; or

(2) any money received for transmission by the licensee or an authorized delegate in the United States from a person located in the United States that has not been received by the payee or refunded to the sender, or escheated in accordance with applicable abandoned property laws.

(b) For purposes of this subdivision, "in the United States" includes, to the extent applicable, a person in any state, territory, or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico; or a U.S. military installation that is located in a foreign country.

Subd. 23. **Passive investor.** "Passive investor" means a person that:

(1) does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a person in control of a licensee;

(2) is not employed by and does not have any managerial duties of the licensee or person in control of a licensee;

(3) does not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee; and

(4) attests to clauses (1), (2), and (3), in a form and in a medium prescribed by the commissioner, or commits to the passivity characteristics under clauses (1), (2), and (3) in a written document.

Subd. 24. **Payment instrument.** (a) "Payment instrument" means a written or electronic check, draft, money order, traveler's check, or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable.

(b) Payment instrument does not include stored value or any instrument that is: (1) redeemable by the issuer only for goods or services provided by the issuer, the issuer's affiliate, the issuer's franchisees, or an affiliate of the issuer's franchisees, except to the extent required by applicable law to be redeemable in cash for its cash value; or (2) not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

Subd. 25. **Payroll processing services.** "Payroll processing services" means receiving money for transmission pursuant to a contract with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments relating to employee benefit plans, or make distributions of other authorized deductions from wages or salaries. The term payroll processing services does not include an employer performing payroll processing services on the employer's own behalf or on behalf of the employer's affiliate, or a professional employment organization subject to regulation under other applicable state law.

Subd. 26. **Person.** "Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation, or other corporate entity identified by the commissioner.

Subd. 27. **Receiving money for transmission or money received for transmission.** "Receiving money for transmission" or "money received for transmission" means receiving money or monetary value in the United States for transmission within or outside the United States by electronic or other means.

Subd. 28. **Stored value.** (a) "Stored value" means monetary value representing a claim against the issuer evidenced by an electronic or digital record, and that is intended and accepted for use as a means of redemption for money or monetary value, or payment for goods or services. Stored value includes but is not limited to prepaid access, as defined under Code of Federal Regulations, title 31, part 1010.100, as amended or recodified from time to time.

(b) Notwithstanding this subdivision, stored value does not include: (1) a payment instrument or closed loop stored value; or (2) stored value not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

Subd. 29. **Tangible net worth.** "Tangible net worth" means the aggregate assets of a licensee excluding all intangible assets, less liabilities, as determined in accordance with United States generally accepted accounting principles.

Sec. 3. [53B.29] EXEMPTIONS.

This chapter does not apply to:

(1) an operator of a payment system, to the extent the operator of a payment system provides processing, clearing, or settlement services between or among persons exempted by this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers;

(2) a person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided that:

(i) there exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(ii) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(iii) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee;

(3) a person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided that the entity:

(i) is properly licensed or exempt from licensing requirements under this chapter;

(ii) provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(iii) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient;

(4) the United States; a department, agency, or instrumentality of the United States; or an agent of the United States;

(5) money transmission by the United States Postal Service or by an agent of the United States Postal Service;

(6) a state; county; city; any other governmental agency, governmental subdivision, or instrumentality of a state; or the state's agent;

(7) a federally insured depository financial institution; bank holding company; office of an international banking corporation; foreign bank that establishes a federal branch pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended or recodified from time to time; corporation organized pursuant to the Bank Service Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from time to time; or corporation organized under the Edge Act, United States Code, title 12, sections 611 to 633, as amended or recodified from time to time;

(8) electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

(9) a board of trade designated as a contract market under the federal Commodity Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from time to time; or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of its operation as or for a board;

(10) a registered futures commission merchant under the federal commodities laws, to the extent of the registered futures commission merchant's operation as a merchant;

(11) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer;

(12) an individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements under this chapter when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) a person expressly appointed as a third-party service provider to or agent of an entity exempt under clause (7), solely to the extent that:

(i) the service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent; or

(14) a person exempt by regulation or order if the commissioner finds that (i) the exemption is in the public interest, and (ii) the regulation of the person is not necessary for the purposes of this chapter.

Sec. 4. **[53B.30] AUTHORITY TO REQUIRE DEMONSTRATION OF EXEMPTION.**

The commissioner may require any person that claims to be exempt from licensing under section 53B.29 to provide to the commissioner information and documentation that demonstrates the person qualifies for any claimed exemption.

Sec. 5. **[53B.31] IMPLEMENTATION.**

Subdivision 1. **General authority.** In order to carry out the purposes of this chapter, the commissioner may, subject to section 53B.32, paragraphs (a) and (b):

(1) enter into agreements or relationships with other government officials or federal and state regulatory agencies and regulatory associations in order to (i) improve efficiencies and reduce regulatory burden by standardizing methods or procedures, and (ii) share resources, records, or related information obtained under this chapter;

(2) use, hire, contract, or employ analytical systems, methods, or software to examine or investigate any person subject to this chapter;

(3) accept from other state or federal government agencies or officials any licensing, examination, or investigation reports made by the other state or federal government agencies or officials; and

(4) accept audit reports made by an independent certified public accountant or other qualified third-party auditor for an applicant or licensee and incorporate the audit report in any report of examination or investigation.

Subd. 2. **Administrative authority.** The commissioner is granted broad administrative authority to: (1) administer, interpret, and enforce this chapter; (2) adopt regulations to implement this chapter; and (3) recover the costs incurred to administer and enforce this chapter by imposing and collecting proportionate and equitable fees and costs associated with applications, examinations, investigations, and other actions required to achieve the purpose of this chapter.

Sec. 6. **[53B.32] CONFIDENTIALITY.**

(a) All information or reports obtained by the commissioner contained in or related to an examination that is prepared by, on behalf of, or for the use of the commissioner are confidential and are not subject to disclosure under section 46.07.

(b) The commissioner may disclose information not otherwise subject to disclosure under paragraph (a) to representatives of state or federal agencies pursuant to section 53B.31, subdivision 1.

(c) This section does not prohibit the commissioner from disclosing to the public a list of all licensees or the aggregated financial or transactional data concerning those licensees.

Sec. 7. **[53B.33] SUPERVISION.**

(a) The commissioner may conduct an examination or investigation of a licensee or authorized delegate or otherwise take independent action authorized by this chapter, or by a rule adopted or order issued under this chapter, as reasonably necessary or appropriate to administer and enforce this chapter, rules implementing this chapter, and other applicable law, including the Bank Secrecy Act and the USA PATRIOT Act, Public Law 107-56. The commissioner may:

(1) conduct an examination either on site or off site as the commissioner may reasonably require;

(2) conduct an examination in conjunction with an examination conducted by representatives of other state agencies or agencies of another state or of the federal government;

(3) accept the examination report of another state agency or an agency of another state or of the federal government, or a report prepared by an independent accounting firm, which on being accepted is considered for all purposes as an official report of the commissioner; and

(4) summon and examine under oath a key individual or employee of a licensee or authorized delegate and require the person to produce records regarding any matter related to the condition and business of the licensee or authorized delegate.

(b) A licensee or authorized delegate must provide, and the commissioner has full and complete access to, all records the commissioner may reasonably require to conduct a complete examination. The records must be provided at the location and in the format specified by the commissioner. The commissioner may use multistate record production standards and examination procedures when the standards reasonably achieve the requirements of this paragraph.

(c) Unless otherwise directed by the commissioner, a licensee must pay all costs reasonably incurred in connection with an examination of the licensee or the licensee's authorized delegates.

Sec. 8. **[53B.34] NETWORKED SUPERVISION.**

(a) To efficiently and effectively administer and enforce this chapter and to minimize regulatory burden, the commissioner is authorized to participate in multistate supervisory processes established between states and coordinated through the Conference of State Bank Supervisors, the Money Transmitter Regulators Association, and the affiliates and successors of the Conference of State Bank Supervisors and the Money Transmitter Regulators Association for all licensees that hold licenses in this state and other states. As a participant in multistate supervision, the commissioner may:

(1) cooperate, coordinate, and share information with other state and federal regulators in accordance with section 53B.32;

(2) enter into written cooperation, coordination, or information-sharing contracts or agreements with organizations the membership of which is made up of state or federal governmental agencies; and

(3) cooperate, coordinate, and share information with organizations the membership of which is made up of state or federal governmental agencies, provided that the organizations agree in writing to maintain the confidentiality and security of the shared information in accordance with section 53B.32.

(b) The commissioner is prohibited from waiving, and nothing in this section constitutes a waiver of, the commissioner's authority to conduct an examination or investigation or otherwise take independent action authorized by this chapter, or a rule adopted or order issued under this chapter, to enforce compliance with applicable state or federal law.

(c) A joint examination or investigation, or acceptance of an examination or investigation report, does not waive an examination fee provided for in this chapter.

Sec. 9. [53B.35] RELATIONSHIP TO FEDERAL LAW.

(a) In the event state money transmission jurisdiction is conditioned on a federal law, any inconsistencies between a provision of this chapter and the federal law governing money transmission is governed by the applicable federal law to the extent of the inconsistency.

(b) In the event of any inconsistencies between this chapter and a federal law that governs pursuant to paragraph (a), the commissioner may provide interpretive guidance that:

(1) identifies the inconsistency; and

(2) identifies the appropriate means of compliance with federal law.

Sec. 10. [53B.36] LICENSE REQUIRED.

(a) A person is prohibited from engaging in the business of money transmission, or advertising, soliciting, or representing that the person provides money transmission, unless the person is licensed under this chapter.

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

(1) a person that is an authorized delegate of a person licensed under this chapter acting within the scope of authority conferred by a written contract with the licensee; or

(2) a person that is exempt under section 53B.29 and does not engage in money transmission outside the scope of the exemption.

(c) A license issued under section 53B.40 is not transferable or assignable.

Sec. 11. [53B.37] CONSISTENT STATE LICENSING.

(a) To establish consistent licensing between Minnesota and other states, the commissioner is authorized to:

(1) implement all licensing provisions of this chapter in a manner that is consistent with (i) other states that have adopted substantially similar licensing requirements, or (ii) multistate licensing processes; and

(2) participate in nationwide protocols for licensing cooperation and coordination among state regulators, provided that the protocols are consistent with this chapter.

(b) In order to fulfill the purposes of this chapter, the commissioner is authorized to establish relationships or contracts with NMLS or other entities designated by NMLS to enable the commissioner to:

(1) collect and maintain records;

(2) coordinate multistate licensing processes and supervision processes;

(3) process fees; and

(4) facilitate communication between the commissioner and licensees or other persons subject to this chapter.

(c) The commissioner is authorized to use NMLS for all aspects of licensing in accordance with this chapter, including but not limited to license applications, applications for acquisitions of control, surety bonds, reporting, criminal history background checks, credit checks, fee processing, and examinations.

(d) The commissioner is authorized to use NMLS forms, processes, and functions in accordance with this chapter. If NMLS does not provide functionality, forms, or processes for a requirement under this chapter, the commissioner is authorized to implement the requirements in a manner that facilitates uniformity with respect to licensing, supervision, reporting, and regulation of licensees which are licensed in multiple jurisdictions.

(e) For the purpose of participating in the NMLS registry, the commissioner is authorized to, by rule or order: (1) waive or modify, in whole or in part, any or all of the requirements; and (2) establish new requirements as reasonably necessary to participate in the NMLS registry.

Sec. 12. **[53B.38] APPLICATION FOR LICENSE.**

(a) An applicant for a license must apply in a form and in a medium as prescribed by the commissioner. The application must state or contain, as applicable:

(1) the legal name and residential and business addresses of the applicant and any fictitious or trade name used by the applicant in conducting business;

(2) a list of any criminal convictions of the applicant and any material litigation in which the applicant has been involved in the ten-year period next preceding the submission of the application;

(3) a description of any money transmission previously provided by the applicant and the money transmission that the applicant seeks to provide in this state;

(4) a list of the applicant's proposed authorized delegates and the locations in this state where the applicant and the applicant's authorized delegates propose to engage in money transmission;

(5) a list of other states in which the applicant is licensed to engage in money transmission and any license revocations, suspensions, or other disciplinary action taken against the applicant in another state;

(6) information concerning any bankruptcy or receivership proceedings affecting the licensee or a person in control of a licensee;

(7) a sample form of contract for authorized delegates, if applicable;

(8) a sample form of payment instrument or stored value, as applicable;

(9) the name and address of any federally insured depository financial institution through which the applicant plans to conduct money transmission; and

(10) any other information the commissioner or NMLS reasonably requires with respect to the applicant.

(b) If an applicant is a corporation, limited liability company, partnership, or other legal entity, the applicant must also provide:

(1) the date of the applicant's incorporation or formation and state or country of incorporation or formation;

(2) if applicable, a certificate of good standing from the state or country in which the applicant is incorporated or formed;

(3) a brief description of the structure or organization of the applicant, including any parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly traded;

(4) the legal name, any fictitious or trade name, all business and residential addresses, and the employment, as applicable, in the ten-year period next preceding the submission of the application of each key individual and person in control of the applicant;

(5) a list of any criminal convictions and material litigation in which a person in control of the applicant that is not an individual has been involved in the ten-year period preceding the submission of the application;

(6) a copy of audited financial statements of the applicant for the most recent fiscal year and for the two-year period next preceding the submission of the application or, if the commissioner deems acceptable, certified unaudited financial statements for the most recent fiscal year or other period acceptable to the commissioner;

(7) a certified copy of unaudited financial statements of the applicant for the most recent fiscal quarter;

(8) if the applicant is a publicly traded corporation, a copy of the most recent report filed with the United States Securities and Exchange Commission under section 13 of the federal Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or recodified from time to time;

(9) if the applicant is a wholly owned subsidiary of:

(i) a corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed under section 13 of the Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or recodified from time to time; or

(ii) a corporation publicly traded outside the United States, a copy of similar documentation filed with the regulator of the parent corporation's domicile outside the United States;

(10) the name and address of the applicant's registered agent in this state; and

(11) any other information the commissioner reasonably requires with respect to the applicant.

(c) A nonrefundable application fee of \$4,000 must accompany an application for a license under this section.

(d) The commissioner may: (1) waive one or more requirements of paragraphs (a) and (b); or (2) permit an applicant to submit other information in lieu of the required information.

Sec. 13. [53B.39] INFORMATION REQUIREMENTS; CERTAIN INDIVIDUALS.

Subdivision 1. **Individuals with or seeking control.** Any individual in control of a licensee or applicant, any individual that seeks to acquire control of a licensee, and each key individual must furnish to the commissioner through NMLS:

(1) the individual's fingerprints for submission to the Federal Bureau of Investigation and the commissioner for a national criminal history background check, unless the person currently resides outside of the United States and has resided outside of the United States for the last ten years; and

(2) personal history and business experience in a form and in a medium prescribed by the commissioner, to obtain:

(i) an independent credit report from a consumer reporting agency;

(ii) information related to any criminal convictions or pending charges; and

(iii) information related to any regulatory or administrative action and any civil litigation involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty, or breach of contract.

Subd. 2. **Individuals having resided outside the United States.** (a) If an individual has resided outside of the United States at any time in the last ten years, the individual must also provide an investigative background report prepared by an independent search firm that meets the requirements of this subdivision.

(b) At a minimum, the search firm must:

(1) demonstrate that the search firm has sufficient knowledge, resources, and employs accepted and reasonable methodologies to conduct the research of the background report; and

(2) not be affiliated with or have an interest with the individual the search firm is researching.

(c) At a minimum, the investigative background report must be written in English and must contain:

(1) if available in the individual's current jurisdiction of residency, a comprehensive credit report, or any equivalent information obtained or generated by the independent search firm to accomplish a credit report, including a search of the court data in the countries, provinces, states, cities, towns, and contiguous areas where the individual resided and worked;

(2) criminal records information for the past ten years, including but not limited to felonies, misdemeanors, or similar convictions for violations of law in the countries, provinces, states, cities, towns, and contiguous areas where the individual resided and worked;

(3) employment history;

(4) media history, including an electronic search of national and local publications, wire services, and business applications; and

(5) financial services-related regulatory history, including but not limited to money transmission, securities, banking, consumer finance, insurance, and mortgage-related industries.

Sec. 14. **[53B.40] LICENSE ISSUANCE.**

(a) When an application for an original license under this chapter includes all of the items and addresses all of the matters that are required, the application is complete and the commissioner must promptly notify the applicant in a record of the date on which the application is determined to be complete.

(b) The commissioner's determination that an application is complete and accepted for processing means only that the application, on the application's face, appears to include all of the items, including the criminal background check response from the Federal Bureau of Investigation, and address all of the matters that are required. The commissioner's determination that an application is complete is not an assessment of the substance of the application or of the sufficiency of the information provided.

(c) When an application is filed and considered complete under this section, the commissioner must investigate the applicant's financial condition and responsibility, financial and business experience, character, and general fitness. The commissioner may conduct an investigation of the applicant, the reasonable cost of which the applicant must pay. The commissioner must issue a license to an applicant under this section if the commissioner finds:

(1) the applicant has complied with sections 53B.38 and 53B.39; and

(2) the financial condition and responsibility; financial and business experience, competence, character, and general fitness of the applicant; and the competence, experience, character, and general fitness of the key individuals and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in money transmission.

(d) If an applicant avails itself of or is otherwise subject to a multistate licensing process:

(1) the commissioner is authorized to accept the investigation results of a lead investigative state for the purposes of paragraph (c); or

(2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate the applicant pursuant to paragraph (c) and the time frames established by agreement through the multistate licensing process, provided that the time frame complies with the application review period provided under paragraph (e).

(e) The commissioner must approve or deny the application within 120 days after the date the application is deemed complete. If the application is not approved or denied within 120 days after the completion date, the application is approved and the license takes effect on the first business day after the 120-day period expires.

(f) The commissioner must issue a formal written notice of the denial of a license application within 30 days of the date the decision to deny the application is made. The commissioner must set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the commissioner under this paragraph may appeal within 30 days of the date the written notice of the denial is received. The commissioner must set a hearing date that is not later than 60 days after service of the response, unless a later date is set with the consent of the denied applicant.

(g) The initial license term begins on the day the application is approved. The license expires on December 31 of the year in which the license term began, unless the initial license date is between November 1 and December 31, in which case the initial license term runs through December 31 of the following year. If a license is approved between November 1 and December 31, the applicant is subject to the renewal fee under section 53B.31, paragraph (a).

Sec. 15. **[53B.41] LICENSE RENEWAL.**

(a) A license under this chapter must be renewed annually. An annual renewal fee of \$2,500 must be paid no more than 60 days before the license expires. The renewal term is a period of one year and begins on January 1 each year after the initial license term. The renewal term expires on December 31 of the year the renewal term begins.

(b) A licensee must submit a renewal report with the renewal fee, in a form and in a medium prescribed by the commissioner. The renewal report must state or contain a description of each material change in information submitted by the licensee in the licensee's original license application that has not been previously reported to the commissioner.

(c) The commissioner may grant an extension of the renewal date for good cause.

(d) The commissioner is authorized to use the NMLS to process license renewals, provided that the NMLS functionality is consistent with this section.

Sec. 16. **[53B.42] MAINTENANCE OF LICENSE.**

(a) If a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license, the commissioner may suspend or

revoke the licensee's license in accordance with the procedures established by this chapter or other applicable state law for license suspension or revocation.

(b) An applicant for a money transmission license must demonstrate that the applicant meets or will meet, and a money transmission licensee must at all times meet, the requirements in sections 53B.59 to 53B.61.

Sec. 17. **[53B.43] ACQUISITION OF CONTROL.**

(a) Any person, or group of persons acting in concert, seeking to acquire control of a licensee must obtain the commissioner's written approval before acquiring control. An individual is not deemed to acquire control of a licensee and is not subject to these acquisition of control provisions when that individual becomes a key individual in the ordinary course of business.

(b) For the purpose of this section, a person is presumed to exercise a controlling influence when the person holds the power to vote, directly or indirectly, at least ten percent of the outstanding voting shares or voting interests of a licensee or person in control of a licensee. A person presumed to exercise a controlling influence as defined by this subdivision can rebut the presumption of control if the person is a passive investor.

(c) For purposes of determining the percentage of a person controlled by any other person, the person's interest must be aggregated with the interest of any other immediate family member, including the person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any other person who shares the person's home.

(d) A person, or group of persons acting in concert, seeking to acquire control of a licensee must, in cooperation with the licensee:

(1) submit an application in a form and in a medium prescribed by the commissioner; and

(2) submit a nonrefundable fee of \$4,000 with the request for approval.

(e) Upon request, the commissioner may permit a licensee or the person, or group of persons acting in concert, to submit some or all information required by the commissioner pursuant to paragraph (d), clause (1), without using NMLS.

(f) The application required by paragraph (d), clause (1), must include information required by section 53B.39 for any new key individuals that have not previously completed the requirements of section 53B.39 for a licensee.

(g) When an application for acquisition of control under this section appears to include all of the items and address all of the matters that are required, the application is considered complete and the commissioner must promptly notify the applicant in a record of the date on which the application was determined to be complete.

(h) The commissioner must approve or deny the application within 60 days after the completion date. If the application is not approved or denied within 60 days after the completion date, the application is approved and the person, or group of persons acting in concert, are not prohibited from acquiring control. The commissioner may extend the application period for good cause.

(i) The commissioner's determination that an application is complete and is accepted for processing means only that the application, on the application's face, appears to include all of the items and address all of the matters that are required. The commissioner's determination that an application is complete is not an assessment of the application's substance or of the sufficiency of the information provided.

(j) When an application is filed and considered complete under paragraph (g), the commissioner must investigate the financial condition and responsibility; the financial and business experience; character; and the general fitness of the person, or group of persons acting in concert, seeking to acquire control. The commissioner must approve an acquisition of control under this section if the commissioner finds:

(1) the requirements of paragraphs (d) and (f) have been met, as applicable; and

(2) the financial condition and responsibility, financial and business experience, competence, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control; and the competence, experience, character, and general fitness of the key individuals and persons that control the licensee after the acquisition of control indicate that it is in the interest of the public to permit the person, or group of persons acting in concert, to control the licensee.

(k) If an applicant avails itself of or is otherwise subject to a multistate licensing process:

(1) the commissioner is authorized to accept the investigation results of a lead investigative state for the purposes of paragraph (j); or

(2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate the applicant under paragraph (j) and consistent with the time frames established by agreement through the multistate licensing process.

(l) The commissioner must issue a formal written notice of the denial of an application to acquire control. The commissioner must set forth in the notice of denial the specific reasons the application was denied. An applicant whose application is denied by the commissioner under this paragraph may appeal the denial within 30 days of the date the written notice of the denial is received. Chapter 14 applies to appeals under this paragraph.

(m) Paragraphs (a) and (d) do not apply to:

(1) a person that acts as a proxy for the sole purpose of voting at a designated meeting of the shareholders or holders of voting shares or voting interests of a licensee or a person in control of a licensee;

(2) a person that acquires control of a licensee by devise or descent;

(3) a person that acquires control of a licensee as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law;

(4) a person that is exempt under section 53B.29, clause (7);

(5) a person that the commissioner determines is not subject to paragraph (a), based on the public interest;

(6) a public offering of securities of a licensee or a person in control of a licensee; or

(7) an internal reorganization of a person controlling the licensee, where the ultimate person controlling the licensee remains the same.

(n) A person identified in paragraph (m), clause (2), (3), (4), or (6), that is cooperating with the licensee must notify the commissioner within 15 days of the date the acquisition of control occurs.

(o) Paragraphs (a) and (d) do not apply to a person that has complied with and received approval to engage in money transmission under this chapter, or that was identified as a person in control in a prior application filed with and approved by the commissioner or by another state pursuant to a multistate licensing process, provided that:

(1) the person has not had a license revoked or suspended or controlled a licensee that has had a license revoked or suspended while the person was in control of the licensee in the previous five years;

(2) if the person is a licensee, the person is well managed and has received at least a satisfactory rating for compliance at the person's most recent examination by an MSB-accredited state if a rating was given;

(3) the licensee to be acquired is projected to meet the requirements of sections 53B.59 to 53B.61 after the acquisition of control is completed, and if the person acquiring control is a licensee, the acquiring licensee is also projected to meet the requirements of sections 53B.59 to 53B.61 after the acquisition of control is completed;

(4) the licensee to be acquired does not implement any material changes to the acquired licensee's business plan as a result of the acquisition of control, and if the person acquiring control is a licensee, the acquiring licensee does not implement any material changes to the acquiring licensee's business plan as a result of the acquisition of control; and

(5) the person provides notice of the acquisition in cooperation with the licensee and attests to clauses (1), (2), (3), and (4) in a form and in a medium prescribed by the commissioner.

(p) If the notice under paragraph (o), clause (5), is not disapproved within 30 days after the date on which the notice was determined to be complete, the notice is deemed approved.

(q) Before filing an application for approval to acquire control of a licensee, a person may request in writing a determination from the commissioner as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the commissioner determines that the person would not be a person in control of a licensee, the proposed person and transaction is not subject to paragraphs (a) and (d).

(r) If a multistate licensing process includes a determination pursuant to paragraph (q) and an applicant avails itself or is otherwise subject to the multistate licensing process:

(1) the commissioner is authorized to accept the control determination of a lead investigative state with sufficient staffing, expertise, and minimum standards for the purposes of paragraph (q); or

(2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate the applicant under paragraph (q) and consistent with the time frames established by agreement through the multistate licensing process.

Sec. 18. [53B.44] CHANGE OF KEY INDIVIDUALS; NOTICE AND INFORMATION REQUIREMENTS.

(a) A licensee that adds or replaces any key individual must:

(1) provide notice, in a manner prescribed by the commissioner, within 15 days after the effective date of the key individual's appointment; and

(2) provide the information required under section 53B.39 within 45 days of the effective date of the key individual's appointment.

(b) Within 90 days of the date on which the notice provided under section 53B.44, paragraph (a), was determined to be complete, the commissioner may issue a notice of disapproval of a key individual if the commissioner finds that the competence, business experience, character, or integrity of the individual is not in the best interests of the public or the customers of the licensee.

(c) A notice of disapproval must contain a statement of the basis for disapproval and must be sent to the licensee and the disapproved individual. A licensee may appeal a notice of disapproval pursuant to chapter 14 within 30 days of the date the notice of disapproval is received.

(d) If the notice provided under paragraph (a) is not disapproved within 90 days after the date on which the notice was determined to be complete, the key individual is deemed approved.

(e) If a multistate licensing process includes a key individual notice review and disapproval process under this section and the licensee avails itself of or is otherwise subject to the multistate licensing process:

(1) the commissioner is authorized to accept the determination of another state if the investigating state has sufficient staffing, expertise, and minimum standards for the purposes of this section; or

(2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate the applicant under paragraph (b) and the time frames established by agreement through the multistate licensing process.

Sec. 19. [53B.45] REPORT OF CONDITION.

(a) Each licensee must submit a report of condition within 45 days of the end of the calendar quarter, or within any extended time the commissioner prescribes.

(b) The report of condition must include:

(1) financial information at the licensee level;

(2) nationwide and state-specific money transmission transaction information in every jurisdiction in the United States where the licensee is licensed to engage in money transmission;

(3) a permissible investments report;

(4) transaction destination country reporting for money received for transmission, if applicable;
and

(5) any other information the commissioner reasonably requires with respect to the licensee.

(c) The commissioner is authorized to use NMLS to submit the report required under paragraph (a).

(d) The information required by paragraph (b), clause (4), must only be included in a report of condition submitted within 45 days of the end of the fourth calendar quarter.

Sec. 20. [53B.46] AUDITED FINANCIAL STATEMENTS.

(a) Each licensee must, within 90 days after the end of each fiscal year, or within any extended time the commissioner prescribes, file with the commissioner:

(1) an audited financial statement of the licensee for the fiscal year prepared in accordance with United States generally accepted accounting principles; and

(2) any other information the commissioner may reasonably require.

(b) The audited financial statements must be prepared by an independent certified public accountant or independent public accountant who is satisfactory to the commissioner.

(c) The audited financial statements must include or be accompanied by a certificate of opinion prepared by the independent certified public accountant or independent public accountant that is satisfactory in form and content to the commissioner. If the certificate or opinion is qualified, the commissioner may order the licensee to take any action the commissioner finds necessary to enable the independent or certified public accountant or independent public accountant to remove the qualification.

Sec. 21. [53B.47] AUTHORIZED DELEGATE REPORTING.

(a) Each licensee must submit a report of authorized delegates within 45 days of the end of the calendar quarter. The commissioner is authorized to use NMLS to submit the report required by this paragraph, provided that the functionality is consistent with the requirements of this section.

(b) The authorized delegate report must include, at a minimum, each authorized delegate's:

(1) company legal name;

(2) taxpayer employer identification number;

(3) principal provider identifier;

(4) physical address;

(5) mailing address;

(6) any business conducted in other states;

(7) any fictitious or trade name;

(8) contact person name, telephone number, and email;

(9) start date as the licensee's authorized delegate;

(10) end date acting as the licensee's authorized delegate, if applicable;

(11) court orders under section 53B.53; and

(12) any other information the commissioner reasonably requires with respect to the authorized delegate.

Sec. 22. [53B.48] REPORTS OF CERTAIN EVENTS.

(a) A licensee must file a report with the commissioner within ten business days after the licensee has reason to know any of the following events has occurred:

(1) a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization has been filed;

(2) a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization, or the making of a general assignment for the benefit of the licensee's creditors has been filed; or

(3) a proceeding to revoke or suspend the licensee's license in a state or country in which the licensee engages in business or is licensed has been commenced.

(b) A licensee must file a report with the commissioner within ten business days after the licensee has reason to know any of the following events has occurred:

(1) the licensee or a key individual or person in control of the licensee is charged with or convicted of a felony related to money transmission activities; or

(2) an authorized delegate is charged with or convicted of a felony related to money transmission activities.

Sec. 23. [53B.49] BANK SECRECY ACT REPORTS.

A licensee and an authorized delegate must file all reports required by federal currency reporting, record keeping, and suspicious activity reporting requirements as set forth in the Bank Secrecy Act and other federal and state laws pertaining to money laundering. A licensee and authorized delegate that timely files with the appropriate federal agency a complete and accurate report required under this section is deemed to comply with the requirements of this section.

Sec. 24. [53B.50] RECORDS.

(a) A licensee must maintain the following records, for purposes of determining the licensee's compliance with this chapter, for at least three years:

(1) a record of each outstanding money transmission obligation sold;

(2) a general ledger posted at least monthly containing all asset, liability, capital, income, and expense accounts;

(3) bank statements and bank reconciliation records;

(4) records of outstanding money transmission obligations;

(5) records of each outstanding money transmission obligation paid within the three-year period;

(6) a list of the last known names and addresses of all of the licensee's authorized delegates;
and

(7) any other records the commissioner reasonably requires by administrative rule.

(b) The items specified in paragraph (a) may be maintained in any form of record.

(c) The records specified in paragraph (a) may be maintained outside of Minnesota if the records are made accessible to the commissioner upon seven business-days' notice that is sent in a record.

(d) All records maintained by the licensee as required under paragraphs (a) to (c) are open to inspection by the commissioner under section 53B.33, paragraph (a).

Sec. 25. [53B.51] RELATIONSHIP BETWEEN LICENSEE AND AUTHORIZED DELEGATE.

(a) For purposes of this section, "remit" means to make direct payments of money to (1) a licensee, or (2) a licensee's representative authorized to receive money or to deposit money in a bank in an account specified by the licensee.

(b) Before a licensee is authorized to conduct business through an authorized delegate or allows a person to act as the licensee's authorized delegate, the licensee must:

(1) adopt, and update as necessary, written policies and procedures reasonably designed to ensure that the licensee's authorized delegates comply with applicable state and federal law;

(2) enter into a written contract that complies with paragraph (d); and

(3) conduct a reasonable risk-based background investigation sufficient for the licensee to determine whether the authorized delegate has complied and will likely comply with applicable state and federal law.

(c) An authorized delegate must operate in full compliance with this chapter.

(d) The written contract required by paragraph (b) must be signed by the licensee and the authorized delegate. The written contract must, at a minimum:

(1) appoint the person signing the contract as the licensee's authorized delegate with the authority to conduct money transmission on behalf of the licensee;

(2) set forth the nature and scope of the relationship between the licensee and the authorized delegate and the respective rights and responsibilities of the parties;

(3) require the authorized delegate to agree to fully comply with all applicable state and federal laws, rules, and regulations pertaining to money transmission, including this chapter and regulations implementing this chapter, relevant provisions of the Bank Secrecy Act and the USA PATRIOT Act, Public Law 107-56;

(4) require the authorized delegate to remit and handle money and monetary value in accordance with the terms of the contract between the licensee and the authorized delegate;

(5) impose a trust on money and monetary value net of fees received for money transmission for the benefit of the licensee;

(6) require the authorized delegate to prepare and maintain records as required by this chapter or administrative rules implementing this chapter, or as reasonably requested by the commissioner;

(7) acknowledge that the authorized delegate consents to examination or investigation by the commissioner;

(8) state that the licensee is subject to regulation by the commissioner and that as part of that regulation the commissioner may (1) suspend or revoke an authorized delegate designation, or (2) require the licensee to terminate an authorized delegate designation; and

(9) acknowledge receipt of the written policies and procedures required under paragraph (b), clause (1).

(e) If the licensee's license is suspended, revoked, surrendered, or expired, within five business days the licensee must provide documentation to the commissioner that the licensee has notified all applicable authorized delegates of the licensee whose names are in a record filed with the commissioner of the suspension, revocation, surrender, or expiration of a license. Upon suspension, revocation, surrender, or expiration of a license, applicable authorized delegates must immediately cease to provide money transmission as an authorized delegate of the licensee.

(f) An authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of fees received from money transmission. If an authorized delegate commingles any funds received from money transmission with other funds or property owned or controlled by the authorized delegate, all commingled funds and other property are considered held in trust in favor of the licensee in an amount equal to the amount of money net of fees received from money transmission.

(g) An authorized delegate is prohibited from using a subdelegate to conduct money transmission on behalf of a licensee.

Sec. 26. **[53B.52] UNAUTHORIZED ACTIVITIES.**

A person is prohibited from engaging in the business of money transmission on behalf of a person not licensed under this chapter or not exempt under sections 53B.29 and 53B.30. A person

that engages in the business of money transmission on behalf of a person that is not licensed under this chapter or not exempt under sections 53B.29 and 53B.30 provides money transmission to the same extent as if the person were a licensee, and is jointly and severally liable with the unlicensed or nonexempt person.

Sec. 27. **[53B.53] PROHIBITED AUTHORIZED DELEGATES.**

(a) The district court in an action brought by a licensee has jurisdiction to grant appropriate equitable or legal relief, including without limitation prohibiting the authorized delegate from directly or indirectly acting as an authorized delegate for any licensee in Minnesota and the payment of restitution, damages, or other monetary relief, if the district court finds that an authorized delegate failed to remit money in accordance with the written contract required by section 53B.51, paragraph (b), or as otherwise directed by the licensee or required by law.

(b) If the district court issues an order prohibiting a person from acting as an authorized delegate for any licensee under paragraph (a), the licensee that brought the action must report the order to the commissioner within 30 days of the date of the order and must report the order through NMLS within 90 days of the date of the order.

Sec. 28. **[53B.54] TIMELY TRANSMISSION.**

(a) Every licensee must forward all money received for transmission in accordance with the terms of the agreement between the licensee and the sender, unless the licensee has a reasonable belief or a reasonable basis to believe that the sender may be a victim of fraud or that a crime or violation of law, rule, or regulation has occurred, is occurring, or may occur.

(b) If a licensee fails to forward money received for transmission as provided under this section, the licensee must respond to inquiries by the sender with the reason for the failure, unless providing a response would violate a state or federal law, rule, or regulation.

Sec. 29. **[53B.55] REFUNDS.**

(a) This section does not apply to:

(1) money received for transmission that is subject to the federal remittance rule under Code of Federal Regulations, title 12, part 1005, subpart B, as amended or recodified from time to time; or

(2) money received for transmission pursuant to a written agreement between the licensee and payee to process payments for goods or services provided by the payee.

(b) A licensee must refund to the sender within ten days of the date the licensee receives the sender's written request for a refund of any and all money received for transmission, unless:

(1) the money has been forwarded within ten days of the date on which the money was received for transmission;

(2) instructions have been given committing an equivalent amount of money to the person designated by the sender within ten days of the date on which the money was received for transmission;

(3) the agreement between the licensee and the sender instructs the licensee to forward the money at a time that is beyond ten days of the date on which the money was received for transmission. If money has not been forwarded in accordance with the terms of the agreement between the licensee and the sender, the licensee must issue a refund in accordance with the other provisions of this section; or

(4) the refund is requested for a transaction that the licensee has not completed based on a reasonable belief or a reasonable basis to believe that a crime or violation of law, rule, or regulation has occurred, is occurring, or may occur.

(c) A refund request does not enable the licensee to identify:

(1) the sender's name and address or telephone number; or

(2) the particular transaction to be refunded in the event the sender has multiple transactions outstanding.

Sec. 30. **[53B.56] RECEIPTS.**

Subdivision 1. **Definition.** For purposes of this section, "receipt" means a paper receipt, electronic record, or other written confirmation.

Subd. 2. **Exemption.** This section does not apply to:

(1) money received for transmission that is subject to the federal remittance rule under Code of Federal Regulations, title 12, part 1005, subpart B, as amended or recodified from time to time;

(2) money received for transmission that is not primarily for personal, family, or household purposes;

(3) money received for transmission pursuant to a written agreement between the licensee and payee to process payments for goods or services provided by the payee; or

(4) payroll processing services.

Subd. 3. **Transaction types; receipts form.** For a transaction conducted in person, the receipt may be provided electronically if the sender requests or agrees to receive an electronic receipt. For a transaction conducted electronically or by telephone, a receipt may be provided electronically. All electronic receipts must be provided in a retainable form.

Subd. 4. **Receipts required.** (a) Every licensee or the licensee's authorized delegate must provide the sender a receipt for money received for transmission.

(b) The receipt must contain, as applicable:

(1) the name of the sender;

(2) the name of the designated recipient;

(3) the date of the transaction;

(4) the unique transaction or identification number;

(5) the name of the licensee, NMLS Unique ID, the licensee's business address, and the licensee's customer service telephone number;

(6) the transaction amount, expressed in United States dollars;

(7) any fee the licensee charges the sender for the transaction; and

(8) any taxes the licensee collects from the sender for the transaction.

(c) The receipt required by this section must be provided in (1) English, and (2) the language principally used by the licensee or authorized delegate to advertise, solicit, or negotiate, either orally or in writing, for a transaction conducted in person, electronically, or by telephone, if the language principally used is a language other than English.

Sec. 31. **[53B.57] NOTICE.**

Every licensee or authorized delegate must include on a receipt or disclose on the licensee's website or mobile application the name and telephone number of the department and a statement that the licensee's customers can contact the department with questions or complaints about the licensee's money transmission services.

Sec. 32. **[53B.58] PAYROLL PROCESSING SERVICES; DISCLOSURES.**

(a) A licensee that provides payroll processing services must:

(1) issue reports to clients detailing client payroll obligations in advance of the payroll funds being deducted from an account; and

(2) make available worker pay stubs or an equivalent statement to workers.

(b) Paragraph (a) does not apply to a licensee providing payroll processing services if the licensee's client designates the intended recipients to the licensee and is responsible for providing the disclosures required by paragraph (a), clause (2).

Sec. 33. **[53B.59] NET WORTH.**

(a) A licensee under this chapter must maintain at all times a tangible net worth that is the greater of: (1) \$100,000; or (2) three percent of total assets for the first \$100,000,000; two percent of additional assets between \$100,000,000 to \$1,000,000,000; and one-half percent of additional assets over \$1,000,000,000.

(b) Tangible net worth must be demonstrated in the initial application by the applicant's most recent audited or unaudited financial statements under section 53B.38, paragraph (b), clause (6).

(c) Notwithstanding paragraphs (a) and (b), the commissioner has the authority, for good cause shown, to exempt any applicant or licensee in-part or in whole from the requirements of this section.

Sec. 34. **[53B.60] SURETY BOND.**

(a) An applicant for a money transmission license must provide, and a licensee must at all times maintain (1) security consisting of a surety bond in a form satisfactory to the commissioner, or (2) with the commissioner's approval, a deposit instead of a bond in accordance with this section.

(b) The amount of the required security under this section is:

(1) the greater of (i) \$100,000, or (ii) an amount equal to one hundred percent of the licensee's average daily money transmission liability in Minnesota, calculated for the most recently completed three-month period, up to a maximum of \$500,000; or

(2) in the event that the licensee's tangible net worth exceeds ten percent of total assets, the licensee must maintain a surety bond of \$100,000.

(c) A licensee that maintains a bond in the maximum amount provided for in paragraph (b), clause (1) or (2), as applicable, is not required to calculate the licensee's average daily money transmission liability in Minnesota for purposes of this section.

(d) A licensee may exceed the maximum required bond amount pursuant to section 53B.62, paragraph (a), clause (5).

(e) The security device remains effective until cancellation, which may occur only after 30 days' written notice to the commissioner. Cancellation does not affect the rights of any claimant for any liability incurred or accrued during the period for which the bond was in force.

(f) The security device must remain in place for no longer than five years after the licensee ceases money transmission operations in Minnesota. Notwithstanding this paragraph, the commissioner may permit the security device to be reduced or eliminated before that time to the extent that the amount of the licensee's payment instruments outstanding in Minnesota are reduced. The commissioner may also permit a licensee to substitute a letter of credit or other form of security device acceptable to the commissioner for the security device in place at the time the licensee ceases money transmission operations in Minnesota.

Sec. 35. [53B.61] MAINTENANCE OF PERMISSIBLE INVESTMENTS.

(a) A licensee must maintain at all times permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of the licensee's outstanding money transmission obligations.

(b) Except for permissible investments enumerated in section 53B.62, paragraph (a), the commissioner may by administrative rule or order, with respect to any licensee, limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers not reflected in the market value of investments.

(c) Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency; the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization; the filing of a petition by or against

the licensee for receivership; the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization; or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to this paragraph are subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of the statutory trust.

(d) Upon the establishment of a statutory trust in accordance with paragraph (c), or when any funds are drawn on a letter of credit pursuant to section 53B.62, paragraph (a), clause (4), the commissioner must notify the applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice is deemed satisfied if performed pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in Minnesota and other states, as defined by a substantially similar statute in the other state. Any statutory trust established under this section terminates upon extinguishment of all of the licensee's outstanding money transmission obligations.

(e) The commissioner may by rule or by order allow other types of investments that the commissioner determines are of sufficient liquidity and quality to be a permissible investment. The commissioner is authorized to participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

Sec. 36. **[53B.62] PERMISSIBLE INVESTMENTS.**

Subdivision 1. **Certain investments permissible.** The following investments are permissible under section 53B.61:

(1) cash, including demand deposits, savings deposits, and funds in accounts held for the benefit of the licensee's customers in a federally insured depository financial institution; and cash equivalents, including ACH items in transit to the licensee and ACH items or international wires in transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-owned locations, debit card or credit card funded transmission receivables owed by any bank, or money market mutual funds rated AAA or the equivalent from any eligible rating service;

(2) certificates of deposit or senior debt obligations of an insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act, United States Code, title 12, section 1813, as amended or recodified from time to time, or as defined under the federal Credit Union Act, United States Code, title 12, section 1781, as amended or recodified from time to time;

(3) an obligation of the United States or a commission, agency, or instrumentality thereof; an obligation that is guaranteed fully as to principal and interest by the United States; or an obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

(4) the full drawable amount of an irrevocable standby letter of credit, for which the stated beneficiary is the commissioner, that stipulates that the beneficiary need only draw a sight draft

under the letter of credit and present the sight draft to obtain funds up to the letter of credit amount within seven days of presentation of the items required by subdivision 2, paragraph (c); and

(5) one hundred percent of the surety bond or deposit provided for under section 53B.60 that exceeds the average daily money transmission liability in Minnesota.

Subd. 2. **Letter of credit; requirements.** (a) A letter of credit under subdivision 1, clause (4), must:

(1) be issued by a federally insured depository financial institution, a foreign bank that is authorized under federal law to maintain a federal agency or federal branch office in a state or states, or a foreign bank that is authorized under state law to maintain a branch in a state that: (i) bears an eligible rating or whose parent company bears an eligible rating; and (ii) is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks, credit unions, and trust companies;

(2) be irrevocable, unconditional, and indicate that it is not subject to any condition or qualifications outside of the letter of credit;

(3) not contain reference to any other agreements, documents, or entities, or otherwise provide for any security interest in the licensee; and

(4) contain an issue date and expiration date, and expressly provide for automatic extension without a written amendment, for an additional period of one year from the present or each future expiration date, unless the issuer of the letter of credit notifies the commissioner in writing by certified or registered mail or courier mail or other receipted means, at least 60 days before any expiration date, that the irrevocable letter of credit will not be extended.

(b) In the event of any notice of expiration or nonextension of a letter of credit issued under paragraph (a), clause (4), the licensee must demonstrate to the satisfaction of the commissioner, 15 days before the letter or credit's expiration, that the licensee maintains and will maintain permissible investments in accordance with section 53B.61, paragraph (a), upon the expiration of the letter of credit. If the licensee is not able to do so, the commissioner may draw on the letter of credit in an amount up to the amount necessary to meet the licensee's requirements to maintain permissible investments in accordance with section 53B.61, paragraph (a). Any draw under this paragraph must be offset against the licensee's outstanding money transmission obligations. The drawn funds must be held in trust by the commissioner or the commissioner's designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations.

(c) The letter of credit must provide that the issuer of the letter of credit must honor, at sight, a presentation made by the beneficiary to the issuer of the following documents on or before the expiration date of the letter of credit:

(1) the original letter of credit, including any amendments; and

(2) a written statement from the beneficiary stating that any of the following events have occurred:

(i) the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization;

(ii) the filing of a petition by or against the licensee for receivership, or the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization;

(iii) the seizure of assets of a licensee by a commissioner of any other state pursuant to an emergency order issued in accordance with applicable law, on the basis of an action, violation, or condition that has caused or is likely to cause the insolvency of the licensee; or

(iv) the beneficiary has received notice of expiration or nonextension of a letter of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible investments in accordance with section 53B.61, paragraph (a), upon the expiration or nonextension of the letter of credit.

(d) The commissioner may designate an agent to serve on the commissioner's behalf as beneficiary to a letter of credit, provided the agent and letter of credit meet requirements the commissioner establishes. The commissioner's agent may serve as agent for multiple licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable amount for the purposes of subdivision 1, clause (4), and this subdivision are assigned to the commissioner.

(e) The commissioner is authorized to participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including but not limited to services provided by the NMLS and State Regulatory Registry, LLC.

Subd. 3. Other permissible investments. Unless the commissioner by administrative rule or order otherwise permits an investment to exceed the limit set forth in this subdivision, the following investments are permissible under section 53B.61 to the extent specified:

(1) receivables that are payable to a licensee from its authorized delegates in the ordinary course of business that are less than seven days old, up to 50 percent of the aggregate value of the licensee's total permissible investments;

(2) of the receivables permissible under clause (1), receivables that are payable to a licensee from a single authorized delegate in the ordinary course of business may not exceed ten percent of the aggregate value of the licensee's total permissible investments;

(3) the following investments are permissible up to 20 percent per category and combined up to 50 percent of the aggregate value of the licensee's total permissible investments:

(i) a short-term investment of up to six months bearing an eligible rating;

(ii) commercial paper bearing an eligible rating;

(iii) a bill, note, bond, or debenture bearing an eligible rating;

(iv) United States tri-party repurchase agreements collateralized at 100 percent or more with United States government or agency securities, municipal bonds, or other securities bearing an eligible rating;

(v) money market mutual funds rated less than "AAA" and equal to or higher than "A-" by S&P, or the equivalent from any other eligible rating service; and

(vi) a mutual fund or other investment fund composed solely and exclusively of one or more permissible investments listed in subdivision 1, clauses (1) to (3); and

(4) cash, including demand deposits, savings deposits, and funds in accounts held for the benefit of the licensee's customers, at foreign depository institutions are permissible up to ten percent of the aggregate value of the licensee's total permissible investments, if the licensee has received a satisfactory rating in the licensee's most recent examination and the foreign depository institution:

(i) has an eligible rating;

(ii) is registered under the Foreign Account Tax Compliance Act, Public Law 111-147;

(iii) is not located in any country subject to sanctions from the Office of Foreign Asset Control; and

(iv) is not located in a high-risk or noncooperative jurisdiction, as designated by the Financial Action Task Force.

Sec. 37. **[53B.63] SUSPENSION; REVOCATION.**

(a) The commissioner may suspend or revoke a license or order a licensee to revoke the designation of an authorized delegate if:

(1) the licensee violates this chapter, or an administrative rule adopted or an order issued under this chapter;

(2) the licensee does not cooperate with an examination or investigation conducted by the commissioner;

(3) the licensee engages in fraud, intentional misrepresentation, or gross negligence;

(4) an authorized delegate is convicted of a violation of a state or federal statute prohibiting money laundering, or violates an administrative rule adopted or an order issued under this chapter, as a result of the licensee's willful misconduct or willful blindness;

(5) the competence, experience, character, or general fitness of the licensee, authorized delegate, person in control of a licensee, key individual, or responsible person of the authorized delegate indicates that it is not in the public interest to permit the person to provide money transmission;

(6) the licensee engages in an unsafe or unsound practice;

(7) the licensee is insolvent, suspends payment of the licensee's obligations, or makes a general assignment for the benefit of the licensee's creditors; or

(8) the licensee does not remove an authorized delegate after the commissioner issues and serves upon the licensee a final order that includes a finding that the authorized delegate has violated this chapter.

(b) When determining whether a licensee is engaging in an unsafe or unsound practice, the commissioner may consider the size and condition of the licensee's money transmission, the magnitude of the loss, the gravity of the violation of this chapter, and the previous conduct of the person involved.

Sec. 38. **[53B.64] AUTHORIZED DELEGATES; SUSPENSION AND REVOCATION.**

(a) The commissioner may issue an order suspending or revoking the designation of an authorized delegate if the commissioner finds:

(1) the authorized delegate violated this chapter, or an administrative rule adopted or an order issued under this chapter;

(2) the authorized delegate did not cooperate with an examination or investigation conducted by the commissioner;

(3) the authorized delegate engaged in fraud, intentional misrepresentation, or gross negligence;

(4) the authorized delegate is convicted of a violation of a state or federal anti-money laundering statute;

(5) the competence, experience, character, or general fitness of the authorized delegate or a person in control of the authorized delegate indicates that it is not in the public interest to permit the authorized delegate to provide money transmission; or

(6) the authorized delegate is engaging in an unsafe or unsound practice.

(b) When determining whether an authorized delegate is engaging in an unsafe or unsound practice, the commissioner may consider the size and condition of the authorized delegate's provision of money transmission, the magnitude of the loss, the gravity of the violation of this chapter, or an administrative rule adopted or order issued under this chapter, and the previous conduct of the authorized delegate.

(c) An authorized delegate may apply for relief from a suspension or revocation of designation as an authorized delegate in the same manner as a licensee.

Sec. 39. **[53B.65] ENFORCEMENT.**

Section 45.027 applies to this chapter.

Sec. 40. **[53B.66] CRIMINAL PENALTIES.**

(a) A person who intentionally makes a false statement, misrepresentation, or false certification in a record filed or required to be maintained under this chapter or that intentionally makes a false entry or omits a material entry in a record filed or required to be maintained under this chapter is guilty of a felony.

(b) A person who knowingly engages in an activity for which a license is required under this chapter without being licensed under this chapter, and who receives more than \$1,000 in compensation within a 30-day period from the activity, is guilty of a felony.

(c) A person who knowingly engages in an activity for which a license is required under this chapter without being licensed under this chapter, and who receives more than \$500 but less than \$1,000 in compensation within a 30-day period from the activity, is guilty of a gross misdemeanor.

(d) A person who knowingly engages in an activity for which a license is required under this chapter without being licensed under this chapter, and who receives no more than \$500 in compensation within a 30-day period from the activity, is guilty of a misdemeanor.

Sec. 41. **[53B.67] SEVERABILITY.**

If any provision of this chapter or the chapter's application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application.

Sec. 42. **[53B.68] TRANSITION PERIOD.**

(a) A person licensed in Minnesota to engage in the business of money transmission is not subject to the provisions of this chapter to the extent that this chapter's provisions conflict with current law or establish new requirements not imposed under current law until the licensee renews the licensee's current license or for five months after the effective date of this chapter, whichever is later.

(b) Notwithstanding paragraph (a), a licensee is only required to amend the licensee's authorized delegate contracts for contracts entered into or amended after the effective date or the completion of any transition period contemplated under paragraph (a). Nothing in this section limits an authorized delegate's obligations to operate in full compliance with this chapter, as required under section 53B.51, paragraph (c).

Sec. 43. **[53B.69] DEFINITIONS.**

Subdivision 1. **Terms.** For purposes of sections 53B.70 to 53B.74, the following terms have the meaning given them.

Subd. 2. **Control of virtual currency.** "Control of virtual currency," when used in reference to a transaction or relationship involving virtual currency, means the power to execute unilaterally or prevent indefinitely a virtual currency transaction.

Subd. 3. **Exchange.** "Exchange," used as a verb, means to assume control of virtual currency from or on behalf of a person, at least momentarily, to sell, trade, or convert:

(1) virtual currency for money, bank credit, or one or more forms of virtual currency; or

(2) money or bank credit for one or more forms of virtual currency.

Subd. 4. **Transfer.** "Transfer" means to assume control of virtual currency from or on behalf of a person and to:

(1) credit the virtual currency to the account of another person;

(2) move the virtual currency from one account of a person to another account of the same person; or

(3) relinquish control of virtual currency to another person.

Subd. 5. **United States dollar equivalent of virtual currency.** "United States dollar equivalent of virtual currency" means the equivalent value of a particular virtual currency in United States dollars shown on a virtual-currency exchange based in the United States for a particular date or period specified in this chapter.

Subd. 6. **Virtual currency.** (a) "Virtual currency" means a digital representation of value that:

(1) is used as a medium of exchange, unit of account, or store of value; and

(2) is not money, whether or not denominated in money.

(b) Virtual currency does not include:

(1) a transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant for money, bank credit, or virtual currency; or

(2) a digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform.

Subd. 7. **Virtual-currency administration.** "Virtual-currency administration" means issuing virtual currency with the authority to redeem the currency for money, bank credit, or other virtual currency.

Subd. 8. **Virtual-currency business activity.** "Virtual-currency business activity" means:

(1) exchanging, transferring, or storing virtual currency or engaging in virtual-currency administration, whether directly or through an agreement with a virtual-currency control-services vendor;

(2) holding electronic precious metals or electronic certificates representing interests in precious metals on behalf of another person or issuing shares or electronic certificates representing interests in precious metals; or

(3) exchanging one or more digital representations of value used within one or more online games, game platforms, or family of games for:

(i) virtual currency offered by or on behalf of the same publisher from which the original digital representation of value was received; or

(ii) money or bank credit outside the online game, game platform, or family of games offered by or on behalf of the same publisher from which the original digital representation of value was received.

Subd. 9. **Virtual-currency control-services vendor.** "Virtual-currency control-services vendor" means a person that has control of virtual currency solely under an agreement with a person that, on behalf of another person, assumes control of virtual currency.

Sec. 44. [53B.70] SCOPE.

(a) Sections 53B.71 to 53B.74 do not apply to the exchange, transfer, or storage of virtual currency or to virtual-currency administration to the extent the Electronic Fund Transfer Act of 1978, United States Code, title 15, sections 1693 to 1693r, as amended or recodified from time to time; the Securities Exchange Act of 1934, United States Code, title 15, sections 78a to 78oo, as amended or recodified from time to time; the Commodities Exchange Act of 1936, United States Code, title 7, sections 1 to 27f, as amended or recodified from time to time; or chapter 80A govern the activity.

(b) Sections 53B.71 to 53B.74 do not apply to activity by:

(1) a person that:

(i) contributes only connectivity software or computing power to a decentralized virtual currency, or to a protocol governing transfer of the digital representation of value;

(ii) provides only data storage or security services for a business engaged in virtual-currency business activity and does not otherwise engage in virtual-currency business activity on behalf of another person; or

(iii) provides only to a person otherwise exempt from this chapter virtual currency as one or more enterprise solutions used solely among each other and has no agreement or relationship with a person that is an end-user of virtual currency;

(2) a person using virtual currency, including creating, investing, buying or selling, or obtaining virtual currency as payment for the purchase or sale of goods or services, solely:

(i) on the person's own behalf;

(ii) for personal, family, or household purposes; or

(iii) for academic purposes;

(3) a person whose virtual-currency business activity with or on behalf of persons is reasonably expected to be valued, in the aggregate, on an annual basis at \$5,000 or less, measured by the United States dollar equivalent of virtual currency;

(4) an attorney to the extent of providing escrow services to a person;

(5) a title insurance company to the extent of providing escrow services to a person; or

(6) a securities intermediary, as defined under section 336.8-102(14), or a commodity intermediary, as defined under section 336.9-102(17), that:

(i) does not engage in the ordinary course of business in virtual-currency business activity with or on behalf of a person in addition to maintaining securities accounts or commodities accounts and is regulated as a securities intermediary or commodity intermediary under federal law, law of Minnesota other than this chapter, or law of another state; and

(ii) affords a person protections comparable to those set forth under section 53B.37.

(c) Sections 53B.71 to 53B.74 do not apply to a secured creditor, as defined under sections 336.9-101 to 336.9-809 or to a creditor with a judicial lien or lien arising by operation of law on collateral that is virtual currency, if the virtual-currency business activity of the creditor is limited to enforcement of the security interest in compliance with sections 336.9-101 to 336.9-809 or lien in compliance with the law applicable to the lien.

(d) Sections 53B.71 to 53B.74 do not apply to a virtual-currency control-services vendor.

(e) Sections 53B.71 to 53B.74 do not apply to a person that:

(1) does not receive compensation from a person to:

(i) provide virtual-currency products or services; or

(ii) conduct virtual-currency business activity; or

(2) is engaged in testing products or services with the person's own money.

(f) The commissioner may determine that a person or class of persons, given facts particular to the person or class, should be exempt from this chapter, whether the person or class is covered by requirements imposed under federal law on a money-service business.

Sec. 45. [53B.71] VIRTUAL CURRENCY BUSINESS ACTIVITY; CONDITIONS PRECEDENT.

(a) A person may not engage in virtual-currency business activity, or hold itself out as being able to engage in virtual-currency business activity, with or on behalf of another person unless the person is:

(1) licensed in Minnesota by the commissioner under section 53B.40; or

(2) exempt from licensing under section 53B.29.

(b) A person that is licensed to engage in virtual-currency business activity is engaged in the business of money transmission and is subject to the requirements of this chapter.

Sec. 46. [53B.72] REQUIRED DISCLOSURES.

(a) A licensee that engages in virtual currency business activity must provide to a person who uses the licensee's products or services the disclosures required by paragraph (b) and any additional disclosure the commissioner by administrative rule determines reasonably necessary to protect persons. The commissioner must determine by administrative rule the time and form required for disclosure. A disclosure required by this section must be made separately from any other information

provided by the licensee and in a clear and conspicuous manner in a record the person may keep. A licensee may propose for the commissioner's approval alternate disclosures as more appropriate for the licensee's virtual-currency business activity with or on behalf of persons.

(b) Before establishing a relationship with a person, a licensee must disclose, to the extent applicable to the virtual-currency business activity the licensee undertakes with the person:

(1) a schedule of fees and charges the licensee may assess, the manner by which fees and charges are calculated if the fees and charges are not set in advance and disclosed, and the timing of the fees and charges;

(2) whether the product or service provided by the licensee is covered by:

(i) a form of insurance or is otherwise guaranteed against loss by an agency of the United States:

(A) up to the full United States dollar equivalent of virtual currency purchased from the licensee or for control of virtual currency by the licensee as of the date of the placement or purchase, including the maximum amount provided by insurance under the Federal Deposit Insurance Corporation or otherwise available from the Securities Investor Protection Corporation; or

(B) if not provided at the full United States dollar equivalent of virtual currency purchased from the licensee or for control of virtual currency by the licensee, the maximum amount of coverage for each person expressed in the United States dollar equivalent of the virtual currency; or

(ii) private insurance against theft or loss, including cyber theft or theft by other means;

(3) the irrevocability of a transfer or exchange and any exception to irrevocability;

(4) a description of:

(i) liability for an unauthorized, mistaken, or accidental transfer or exchange;

(ii) the person's responsibility to provide notice to the licensee of the transfer or exchange;

(iii) the basis for any recovery by the person from the licensee;

(iv) general error-resolution rights applicable to the transfer or exchange; and

(v) the method for the person to update the person's contact information with the licensee;

(5) that the date or time when the transfer or exchange is made and the person's account is debited may differ from the date or time when the person initiates the instruction to make the transfer or exchange;

(6) whether the person has a right to stop a preauthorized payment or revoke authorization for a transfer, and the procedure to initiate a stop-payment order or revoke authorization for a subsequent transfer;

(7) the person's right to receive a receipt, trade ticket, or other evidence of the transfer or exchange;

(8) the person's right to at least 30 days' prior notice of a change in the licensee's fee schedule, other terms and conditions of operating the licensee's virtual-currency business activity with the person, and the policies applicable to the person's account; and

(9) that virtual currency is not money.

(c) Except as otherwise provided in paragraph (d), at the conclusion of a virtual-currency transaction with or on behalf of a person, a licensee must provide the person a confirmation in a record. The record must contain:

(1) the name and contact information of the licensee, including information the person may need to ask a question or file a complaint;

(2) the type, value, date, precise time, and amount of the transaction; and

(3) the fee charged for the transaction, including any charge for conversion of virtual currency to money, bank credit, or other virtual currency.

(d) If a licensee discloses that it provides a daily confirmation in the initial disclosure under paragraph (c), the licensee may elect to provide a single, daily confirmation for all transactions with or on behalf of a person on that day instead of a per-transaction confirmation.

Sec. 47. [53B.73] PROPERTY INTERESTS AND ENTITLEMENTS TO VIRTUAL CURRENCY.

(a) A licensee that has control of virtual currency for one or more persons must maintain control of virtual currency in each type of virtual currency sufficient to satisfy the aggregate entitlements of the persons to the type of virtual currency.

(b) If a licensee violates paragraph (a), the property interests of the persons in the virtual currency are pro rata property interests in the type of virtual currency to which the persons are entitled, without regard to the time the persons became entitled to the virtual currency or the licensee obtained control of the virtual currency.

(c) The virtual currency referred to in this section is:

(1) held for the persons entitled to the virtual currency;

(2) not property of the licensee;

(3) not subject to the claims of creditors of the licensee; and

(4) a permissible investment under this chapter.

Sec. 48. [53B.74] VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL REQUIREMENTS.

(a) A licensee engaged in virtual currency business activities may include virtual currency in the licensee's calculation of tangible net worth, by measuring the average value of the virtual currency

in United States dollar equivalent over the prior six months, excluding control of virtual currency for a person entitled to the protections under section 53B.73.

(b) A licensee must maintain, for all virtual-currency business activity with or on behalf of a person five years after the date of the activity, a record of:

(1) each of the licensee's transactions with or on behalf of the person, or for the licensee's account in Minnesota, including:

(i) the identity of the person;

(ii) the form of the transaction;

(iii) the amount, date, and payment instructions given by the person; and

(iv) the account number, name, and United States Postal Service address of the person, and, to the extent feasible, other parties to the transaction;

(2) the aggregate number of transactions and aggregate value of transactions by the licensee with or on behalf of the person and for the licensee's account in this state, expressed in the United States dollar equivalent of the virtual currency for the previous 12 calendar months;

(3) each transaction in which the licensee exchanges one form of virtual currency for money or another form of virtual currency with or on behalf of the person;

(4) a general ledger posted at least monthly that lists all of the licensee's assets, liabilities, capital, income, and expenses;

(5) each business-call report the licensee is required to create or provide to the department or NMLS;

(6) bank statements and bank reconciliation records for the licensee and the name, account number, and United States Postal Service address of each bank the licensee uses to conduct virtual-currency business activity with or on behalf of the person;

(7) a report of any dispute with the person; and

(8) a report of any virtual-currency business activity transaction with or on behalf of a person which the licensee was unable to complete.

(c) A licensee must maintain records required by paragraph (b) in a form that enables the commissioner to determine whether the licensee is in compliance with this chapter, any court order, and law of Minnesota other than this chapter.

Sec. 49. [58B.011] STUDENT LOAN ADVOCATE.

Subdivision 1. Designation of a student loan advocate. The commissioner of commerce must designate a student loan advocate within the Department of Commerce to provide timely assistance to borrowers and to effectuate this chapter.

Subd. 2. **Duties.** The student loan advocate has the following duties:

(1) receive, review, and attempt to resolve complaints from borrowers, including but not limited to attempts to resolve borrower complaints in collaboration with institutions of higher education, student loan servicers, and any other participants in student loan lending;

(2) compile and analyze data on borrower complaints received under clause (1);

(3) help borrowers understand the rights and responsibilities under the terms of student loans;

(4) provide information to the public, state agencies, legislators, and relevant stakeholders regarding the problems and concerns of borrowers;

(5) make recommendations to resolve the problems of borrowers;

(6) analyze and monitor the development and implementation of federal, state, and local laws, regulations, and policies relating to borrowers, and recommend any changes deemed necessary;

(7) review the complete student loan history for any borrower who has provided written consent to conduct the review;

(8) increase public awareness that the advocate is available to assist in resolving the student loan servicing concerns of potential and actual borrowers, institutions of higher education, student loan servicers, and any other participant in student loan lending; and

(9) take other actions as necessary to fulfill the duties of the advocate, as provided under this section.

Subd. 3. **Student loan education course.** The advocate must establish and maintain a borrower education course. The course must include educational presentations and materials regarding important topics in student loans, including but not limited to:

(1) the meaning of important terminology used in student lending;

(2) documentation requirements;

(3) monthly payment obligations;

(4) income-based repayment options;

(5) the availability of state and federal loan forgiveness programs; and

(6) disclosure requirements.

Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report to the legislative committees with jurisdiction over commerce and higher education. The report must describe the advocate's implementation of this section, the outcomes achieved by the advocate during the previous two years, and recommendations to improve the regulation of student loan servicers.

Sec. 50. **REPEALER.**

Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06; 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16; 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; and 53B.27, subdivisions 1, 2, 5, 6, and 7, are repealed.

ARTICLE 4

WEIGHTS AND MEASURES

Section 1. Minnesota Statutes 2022, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline ~~sold or transferred after September 30, 1997,~~ the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

(b) A delivery ticket required under section 239.092 for biofuel blended with gasoline must state the volume percentage of biofuel blended into gasoline delivered through a meter into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14 and 16.

(c) On or before the 23rd day of each month, a person responsible for the product must report to the department, in the form prescribed by the commissioner, the gross number of gallons of intermediate blends sold at retail by the person during the preceding calendar month. The report must identify the number of gallons by blend type. For purposes of this subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel content, exclusive of denaturants and other permitted components, is greater than ten percent and no more than 50 percent by volume. This paragraph only applies to a person who is responsible for selling intermediate blends at retail at more than ten locations. A person responsible for the product at fewer than ten locations is not precluded from reporting the gross number of intermediate blends if a report is available.

(d) All reports provided pursuant to paragraph (c) are nonpublic data as defined in section 13.02, subdivision 9.

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

Delete the title and insert:

A bill for an act relating to commerce; establishing a biennial budget for Department of Commerce; modifying various provisions governing insurance; regulating virtual currency activities; providing for reports relating to retail sales of intermediate blends of gasoline and biofuel; prohibiting excessive price increases by pharmaceutical manufacturers; establishing a Prescription Drug Affordability Board; establishing a student loan advocate position; regulating money transmitters; making technical changes; establishing penalties; authorizing administrative rulemaking; requiring reports; appropriating money; transferring money; amending Minnesota Statutes 2022, sections

46.131, subdivision 11; 60A.14, subdivision 1; 62A.152, subdivision 3; 62D.02, by adding a subdivision; 62D.095, subdivisions 2, 3, 4, 5; 62K.10, subdivision 4; 62Q.19, subdivision 1; 62Q.46, subdivisions 1, 3; 62Q.47; 62Q.81, subdivision 4, by adding a subdivision; 151.071, subdivisions 1, 2; 239.791, subdivision 8; 256B.0631, subdivision 1; 256L.03, subdivision 5; Laws 2022, chapter 93, article 1, section 2, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 53B; 58B; 62J; 62Q; 62W; repealing Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06; 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16; 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; 53B.27, subdivisions 1, 2, 5, 6, 7.

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

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

S.F. No. 3035: A bill for an act relating to state government; establishing a biennial budget for Department of Employment and Economic Development, Public Utilities Commission, and Explore Minnesota; modifying various provisions governing economic development, unemployment insurance, and Explore Minnesota; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 116J.5492, subdivisions 8, 10; 116J.8748, subdivisions 3, 4, 6, by adding a subdivision; 116J.8749, subdivisions 1, 3, 5, 10; 116L.361, subdivision 7; 116L.362, subdivision 1; 116L.364, subdivision 3; 116L.56, subdivision 2; 116L.561, subdivision 5; 116L.562, subdivision 2; 116U.05; 116U.10; 116U.15; 116U.20; 116U.25; 116U.30; 116U.35; 126C.43, subdivision 2; 127A.45, subdivision 12; 268.085, subdivisions 7, 8; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 116U; 124D.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

(b) If an appropriation in this article is enacted more than once in the 2023 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

Available for the Year
Ending June 30
2024 2025

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT.

Subdivision 1. Total Appropriation \$ **927,998,000** \$ **336,068,000**

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	872,942,000	280,984,000
<u>Remediation</u>	700,000	700,000
<u>Workforce Development</u>	54,356,000	54,384,000

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

Subd. 2. Business and Community Development 697,699,000 124,279,000

	<u>Appropriations by Fund</u>	
<u>General</u>	695,649,000	122,299,000
<u>Remediation</u>	700,000	700,000
<u>Workforce Development</u>	1,350,000	1,350,000

(a) \$2,287,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2027.

(b) \$500,000 each year is for grants to small business development centers under Minnesota Statutes, section 116J.68. Money made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, to provide consulting and technical services or to build additional SBDC network capacity to serve entrepreneurs and small businesses.

(c) \$5,500,000 each year is for Launch Minnesota. Of this amount: (1) \$1,500,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with operating needs; (2) \$500,000 each year is for administration of Launch Minnesota; (3) \$500,000 each year is for grantee activities at Launch Minnesota; and (4) \$3,000,000 each year is for a grant to MNSBIR, Inc., to support moving scientific excellence and technological innovation from the lab to the market for start-ups and small businesses by securing federal research and development funding. These are onetime appropriations.

(d) \$35,296,000 the first year is for the Minnesota Expanding Opportunity Fund Program under Minnesota Statutes, section 116J.8733. This appropriation is onetime and is available until June 30, 2025.

(e) \$150,000,000 the first year is for the Minnesota forward fund under Minnesota Statutes, section 116J.8752. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. Of this amount, up to five percent is for administration and monitoring of the program. This appropriation is onetime and is available until June 30, 2027.

(f) \$100,000,000 the first year is for the purpose of matching \$100,000,000 in existing federal funds made available in the Consolidated Appropriations Act, Public Law 117-328, for the purpose of constructing and operating a bioindustrial manufacturing pilot innovation facility, biorefinery, and commercial campus utilizing agricultural feedstocks. This is a onetime appropriation and is available until June 30, 2027.

(g) \$250,000,000 the first year is for the purpose of matching \$250,000,000 in existing federal funds made available in the Chips and Science Act, Public Law 117-167, for the purpose of: (1) constructing,

modernizing, or expanding commercial facilities on the front- and back-end fabrication of leading-edge, current-generation, and mature-node semiconductors; and (2) funding semiconductor materials and manufacturing equipment facilities, and for research and development facilities. This is a onetime appropriation and is available until June 30, 2027.

(h) \$8,925,000 each year is for the small business assistance partnerships program under Minnesota Statutes, section 116J.682. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The department may use up to five percent of the appropriation for administrative purposes. The base in fiscal year 2026 and beyond is \$1,425,000.

(i) \$2,500,000 each year is transferred from the general fund to the community energy transition account for grants under Minnesota Statutes, section 116J.55. These transfers are onetime.

(j) \$350,000 each year is for administration of the community energy transition office.

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

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

(m) \$239,000 each year is for the Center for Rural Policy and Development. The base in fiscal year 2026 and beyond is \$139,000.

(n) \$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.

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

(p) \$6,500,000 each year is appropriated from the general fund to the commissioner of employment and economic development for grants to local communities to increase the number of quality child care providers to support economic development. Fifty percent of grant money must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The base in fiscal year 2026 and beyond is \$1,500,000.

Grant recipients must obtain a 50 percent nonstate match to grant money in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant money available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

Within one year of receiving grant money, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care openings,

and the amount of cash and in-kind local money invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(g) \$500,000 each year is for the Office of Child Care Community Partnerships. Of this amount:

(1) \$450,000 each year is for administration of the Office of Child Care Community Partnerships; and

(2) \$50,000 each year is for the Labor Market Information Office to conduct research and analysis related to the child care industry.

(r) \$6,000,000 the first year and \$1,000,000 the second year is for a grant to the Minnesota Initiative Foundations. This appropriation is available until June 30, 2027. In fiscal year 2026 and beyond, the base amount is \$1,000,000. The Minnesota Initiative Foundations must use grant money under this section to:

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

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

(3) provide locally based training and technical assistance to rural business owners individually or through a learning cohort. Access to financial and business development

assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

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

(s) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8748, money appropriated for the job creation fund may be used for redevelopment under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner.

(t) \$12,370,000 the first year and \$12,370,000 the second year are 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. The base in fiscal year 2026 and beyond is \$12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment

fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(u) \$4,246,000 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. The base in fiscal year 2026 and beyond is \$2,246,000. This appropriation is available until expended.

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

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

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

(y) \$500,000 each year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2027.

(z) \$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.

(aa) \$1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(bb) \$30,000,000 each year is for the PROMISE grant program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$6,500,000 each year is for grants to the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

(2) \$23,000,000 each year is for grants to the Neighborhood Development Center. Of this amount, the following amounts are designated for the following areas:

(i) \$10,500,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods;

(ii) \$6,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, and Riverside corridors; and

(iii) \$6,500,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods.

(cc) \$20,000,000 each year is for the PROMISE loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$4,000,000 each year is for grants to the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

(2) \$16,000,000 each year is for grants to the Metropolitan Economic Development Association (MEDA). Of this amount, the

following amounts are designated for the following areas:

(i) \$8,000,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods;

(ii) \$4,000,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, and Riverside corridors; and

(iii) \$4,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods.

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

(ee) \$500,000 each year is for the airport infrastructure renewal 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).

(ff) \$5,000,000 the first year is for a grant to the Bloomington Port Authority to provide funding for the Expo 2027 host organization. The Bloomington Port Authority must enter into an agreement with the host organization over the use of money, which may be used for activities, including but not limited to finalizing the community dossier and staffing the host organization and for infrastructure design and planning, financial modeling, development planning and coordination of both real estate and public private partnerships, and reimbursement of costs the Bloomington Port Authority incurred. The host organization and Bloomington Port Authority may be reimbursed for expenses 90 days prior to encumbrance. This appropriation is contingent on approval of

the project by the Bureau International des Expositions. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(gg) \$5,000,000 the first year is for grants to the Neighborhood Development Center. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year. Of the amount appropriated each year, \$4,200,000 is for small business programs including training, lending, business services, and real estate programming; and \$800,000 is for technical assistance activities for partners located outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

(hh) \$2,650,000 the first year is for deposit in the emerging developer fund account in the special revenue fund. Of this amount, up to five percent is for administration and monitoring of the emerging developer fund program under Minnesota Statutes, section 116J.9926. This is a onetime appropriation.

(ii) \$5,000,000 the first year is for the Canadian border counties economic relief program under article 5. Of this amount, up to \$2,100,000 is for a grant to the Lake of the Woods County for the forgivable loan program for remote recreational businesses. This is a onetime appropriation and is available until June 30, 2026.

(jj) \$1,250,000 the first year and \$250,000 the second year are for a grant to African Economic Development Solutions. This is a onetime appropriation and is available until June 30, 2026. Of this amount:

(1) \$1,000,000 is for a loan fund that must address pervasive economic inequities by supporting business ventures of entrepreneurs in the African immigrant community; and

(2) \$250,000 each year is for workforce development and technical assistance, including but not limited to business development, entrepreneur training, business technical assistance, loan packing, and community development services.

(kk) \$500,000 each year is for a grant to the Latino Economic Development Center. Grant proceeds may be used to:

(1) assist, support, finance, and launch micro-entrepreneurs by delivering training, workshops, and one-on-one consultations to businesses;

(2) offer workshops on a variety of topics throughout the year, including finance, customer service, food-handler training, and food-safety certification; and

(3) provide lending to business start-ups.

(ll) \$627,000 the first year is for a grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs. Technical assistance grants shall be based on need and given to communities that are otherwise unable to afford these services. Of the amount appropriated, up to \$270,000 may be used for economic development project implementation in conjunction with the technical assistance received. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(mm) \$1,500,000 each year is for a grant to WomenVenture to support business expansion for women food entrepreneurs

throughout Minnesota's food supply chain to help stabilize and strengthen their business operations, create distribution networks, offer technical assistance and support to beginning women food entrepreneurs, develop business plans, develop a workforce, research expansion strategies, and for other related activities. Eligible uses of money include but are not limited to:

- (1) leasehold improvements;
- (2) additions, alterations, remodeling, or renovations to rented space;
- (3) inventory or supplies;
- (4) machinery or equipment purchases;
- (5) working capital; and
- (6) debt refinancing.

Money distributed to entrepreneurs may be loans, forgivable loans, and grants. Of this amount, up to five percent may be used for the WomenVenture's technical assistance and administrative costs. This appropriation is onetime and available until June 30, 2026. By December 15, 2026, WomenVenture must submit a report to the chairs and ranking members of the legislative committees with jurisdiction over agriculture and employment and economic development. The report must include a summary of the uses of the appropriation, including the amount of the appropriation used for administration. The report must also provide a breakdown of the amount of funding used for loans, forgivable loans, and grants; information about the terms of the loans issued; a discussion of how money from repaid loans will be used; the number of entrepreneurs assisted; and a breakdown of how many entrepreneurs received assistance in each county.

(nn) \$6,000,000 the first year is for grants to initiative foundations to capitalize their revolving loan funds, which address unmet

financing needs of for-profit business startups, expansions, and ownership transitions; nonprofit organizations; and developers of housing to support the construction, rehabilitation, and conversion of housing units. Of the amount appropriated, \$1,000,000 is for a grant to the Southwest Initiative Foundation; \$1,000,000 is for a grant to the West Central Initiative Foundation; \$1,000,000 is for a grant to the Southern Minnesota Initiative Foundation; \$1,000,000 is for a grant to the Northwest Minnesota Foundation; \$1,000,000 is for a grant to the Initiative Foundation; and \$1,000,000 is for a grant to the Northland Foundation. This is a onetime appropriation.

(oo) \$1,000,000 the first year is for a grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership, employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies employing 35 or fewer full-time equivalent employees. No later than February 1, 2025, and February 1, 2026, Enterprise Minnesota, Inc., must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development that includes:

(1) the grants awarded during the past 12 months;

(2) the estimated financial impact of the grants awarded to each company receiving services under the program;

(3) the actual financial impact of grants awarded during the past 24 months; and

(4) the total amount of federal funds leveraged from the Manufacturing Extension Partnership at the United States Department of Commerce.

(pp) \$375,000 each year is for a grant to PFund Foundation to provide grants to LGBTQ+-owned small businesses and entrepreneurs. Money distributed to entrepreneurs and small businesses must be in the form of grants. Of this amount, up to five percent may be used for PFund Foundation's technical assistance and administrative costs. This appropriation is onetime and is available until June 30, 2026. To the extent practicable, money must be distributed by PFund Foundation as follows:

(1) 33.3 percent to businesses owned by members of racial minority communities; and

(2) 33.3 percent to businesses outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(qq) \$125,000 each year is for a grant to Quorum to provide business support, training, development, technical assistance, and related activities for LGBTQ+-owned small businesses that are recipients of a PFund Foundation grant. Of this amount, up to five percent may be used for Quorum's technical assistance and administrative costs. This appropriation is onetime and is available until June 30, 2026.

(rr) \$5,000,000 the first year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services to minority-owned businesses. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) \$3,000,000 is for a revolving loan fund to provide additional minority-owned businesses with access to capital; and

(2) \$2,000,000 is for operating support activities related to business development and assistance services for minority business enterprises.

By February 1, 2025, MEDA shall report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over economic development policy and finance on the loans and operating support activities, including outcomes and expenditures, supported by the appropriation under this paragraph.

(ss) \$2,500,000 each year is for a grant to a Minnesota-based automotive component manufacturer and distributor specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing. This is a onetime appropriation.

(tt) \$1,846,500 the first year is for a grant to the Minneapolis Downtown Council for infrastructure and associated costs for the Taste of Minnesota event, including but not limited to buildout, permits, garbage services, staffing, security, equipment rentals, signage, and insurance. This is a onetime appropriation.

Subd. 3. Employment and Training Programs 120,465,000 111,927,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>105,370,000</u>	<u>96,832,000</u>
<u>Workforce Development</u>	<u>15,095,000</u>	<u>15,095,000</u>

(a) \$500,000 each year is for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(b) \$5,000,000 each year is for competitive grants to organizations providing services to Minnesota's older workers. Grant awards must be used to support older individuals to

re-enter the labor force through workforce recruitment and development, outreach, paid essential training and upskilling, on-the-job training through community service assignments, and assistance for smaller organizations to increase capacity. Of this amount, up to five percent is for administration and monitoring of the program. These are onetime appropriations.

(c) \$24,654,000 the first year and \$25,154,000 the second year are for the targeted population workforce grants under Minnesota Statutes, section 116L.43. The department may use up to five percent of this appropriation for administration, monitoring, and oversight of the program. Of this amount:

(1) \$17,000,000 is for job and entrepreneurial skills training grants under Minnesota Statutes, section 116L.43, subdivision 2;

(2) \$1,500,000 is for diversity and inclusion training for small and midsize employers under Minnesota Statutes, section 116L.43, subdivision 3; and

(3) \$5,500,000 is for capacity building grants under Minnesota Statutes, section 116L.43, subdivision 4.

The base funding for this program is \$1,184,000 beginning in fiscal year 2026.

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

(e) \$15,000,000 each year is for the Drive for Five Initiative to conduct outreach and provide job skills training, career counseling, case management, and supportive services for careers in (1) technology, (2) labor, (3) the caring professions, (4) manufacturing,

and (5) educational and professional services. These are onetime appropriations.

(f) Of the amounts appropriated in paragraph (e), the commissioner must make \$10,000,000 each year available through a competitive request for proposal process. The grant awards must be used to provide education and training in the five industries identified in paragraph (e). Education and training may include:

(1) student tutoring and testing support services;

(2) training and employment placement in high wage and high growth employment;

(3) assistance in obtaining industry-specific certifications;

(4) remedial training leading to enrollment;

(5) real-time work experience in information;

(6) career and educational counseling;

(7) work experience and internships; and

(8) supportive services.

(g) Of the amount appropriated in paragraph (e), \$3,250,000 each year must be awarded through competitive grants made to trade associations or chambers of commerce for job placement services. Grant awards must be used to encourage workforce training efforts to ensure that efforts are aligned with employer demands and that graduates are connected with employers that are currently hiring. Trade associations or chambers must partner with employers with current or anticipated employment opportunities and nonprofit workforce training partners participating in this program. The trade associations or chambers must work closely with the industry sector training providers in the five industries identified in paragraph (e). Grant awards may be used for:

(1) employer engagement strategies to align employment opportunities for individuals exiting workforce development training programs. These strategies may include business recruitment, job opening development, employee recruitment, and job matching. Trade associations must utilize the state's labor exchange system;

(2) diversity, inclusion, and retention training of their members to increase the business' understanding of welcoming and retaining a diverse workforce; and

(3) industry-specific training.

(h) Of the amount appropriated in paragraph (e), \$1,750,000 each year is to hire, train, and deploy business services representatives in local workforce development areas throughout the state. Business services representatives must work with an assigned local workforce development area to address the hiring needs of Minnesota's businesses by connecting job seekers and program participants in the CareerForce system. Business services representatives serve in the classified service of the state and operate as part of the agency's Employment and Training Office. The commissioner shall develop and implement training materials and reporting and evaluation procedures for the activities of the business services representatives. The business services representative must:

(1) serve as the primary contact for businesses in that area;

(2) actively engage employers by assisting with matching employers to job seekers by referring candidates, convening job fairs, and assisting with job announcements; and

(3) work with the local area board and its partners to identify candidates for openings in small and midsize companies in the local area.

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

(j) \$500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

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

(l) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

(m) \$5,230,000 each year from the general fund and \$3,348,000 each year from the workforce development fund are for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth

workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The base funding for this program is \$750,000 each year from the general fund and \$3,348,000 each year from the workforce development fund beginning in fiscal year 2026.

(n) \$2,093,000 each year is from the workforce development fund for the Minnesota Youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. The base funding for this program is \$1,000,000 per year from the workforce development fund beginning in fiscal year 2026.

(o) \$4,511,000 each year from the general fund and \$4,050,000 each year from the workforce development fund are for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561. Beginning in fiscal year 2026, the base funding for this program is \$0 from the general fund and \$4,050,000 from the workforce development fund.

(p) \$750,000 each year is for the Office of New Americans under Minnesota Statutes, section 116J.4231.

(q) \$1,000,000 each year is for a grant to the Minnesota Technology Association to support the SciTech internship program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their fields of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 325 students must be matched each year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50

percent of the wages paid to the intern, capped at \$3,000 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(r) \$750,000 each year is for grants to the Minneapolis Park and Recreation Board's Teen Teamworks youth employment and training programs. This appropriation is onetime, available in either year of the biennium, and available until June 30, 2027.

(s) \$900,000 the first year and \$900,000 the second year are for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. Of this amount, up to \$250,000 each year is for a grant to Avivo to provide resources and support services to survivors of sex trafficking and domestic abuse in the greater St. Cloud area as they search for employment. Program resources include but are not limited to costs for day care, transportation, housing, legal advice, procuring documents required for employment, interview clothing, technology, and Internet access. The program shall also include public outreach and corporate training components to communicate to the public and potential employers about the specific struggles faced by survivors as they re-enter the workforce. These are onetime appropriations.

(t) \$1,000,000 each year is for the getting to work grant program under Minnesota Statutes, section 116J.545. Of this amount, up to five percent is for administration and monitoring of the program. These are onetime appropriations.

(u) \$375,000 each year is for a grant to the nonprofit 30,000 Feet to fund youth apprenticeship jobs, wraparound services, after-school programming, and summer

learning loss prevention efforts targeted at African American youth. This is a onetime appropriation.

(v) \$463,000 the first year is for a grant to the Boys and Girls Club of Central Minnesota. This is a onetime appropriation. Of this amount:

(1) \$313,000 is to fund one year of free full-service programming for a new program in Waite Park that will employ part-time youth development staff and provide community volunteer opportunities for people of all ages. Career exploration and life skills programming will be a significant dimension of programming at this new site; and

(2) \$150,000 is for planning and design for a new multiuse facility for the Boys and Girls Club of Waite Park and other community partners, including the Waite Park Police Department and the Whitney Senior Center.

(w) \$1,000,000 each year is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience, including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(x) \$1,050,000 the first year is for a grant to the Owatonna Area Chamber of Commerce Foundation for the Learn and Earn Initiative to help the Owatonna and Steele County region grow and retain a talented workforce.

This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$950,000 is to develop an advanced manufacturing career pathway program for youth and adult learners with shared learning spaces, state-of-the-art equipment, and instructional support to grow and retain talent in Owatonna; and

(2) \$100,000 is to create the Owatonna Opportunity scholarship model for the Learn and Earn Initiative for students and employers.

(y) \$250,000 each year is for a grant to the White Bear Center for the Arts for establishing a paid internship program for high school students to learn professional development skills through an arts perspective. This is a onetime appropriation.

(z) \$946,000 each year is for the Minnesota Family Resiliency Partnership under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the money to existing nonprofit and state displaced homemaker programs. The base is \$446,000 beginning in fiscal year 2026.

(aa) \$1,500,000 each year is for a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies that respond to the needs of underserved populations statewide. This may include pay-for-performance contracts with nonprofit organizations to provide outreach, training, and support services for dislocated and chronically underemployed people, and forgivable loans, revenue-based financing, and equity investments for entrepreneurs with barriers to growth. Of this amount, up to five percent may be used for the center's technical assistance and administrative costs. These are onetime appropriations.

(bb) \$600,000 each year is for a grant to East Side Neighborhood Services. These are onetime appropriations. Of this amount:

(1) \$300,000 each year is for the senior community service employment program, which provides work readiness training to low-income adults 55 and older, to provide ongoing support and mentoring needs to the program participants and to support the transition period from subsidized wages to unsubsidized wages; and

(2) \$300,000 each year is for the nursing assistant plus program to serve the increased need for growth of medical talent pipelines through expansion of the existing program and development of in-house training.

These amounts may also be used to enhance the organization's youth employment programming for youth and young adults, ages 14 to 24, to introduce them to work culture, develop essential work readiness skills, and make career plans through paid internship experiences and work readiness training.

(cc) \$1,500,000 each year is for a grant to Ujamaa Place to assist primarily African American men with job training, employment preparation, internships, education, vocational housing, and organizational capacity building. This is a onetime appropriation.

(dd) \$500,000 each year is for a grant to Comunidades Organizando el Poder y la Acción Latina (COPAL) for worker center programming that supports primarily low-income, migrant, and Latinx workers with career planning, workforce training and education, workers' rights advocacy, health resources and navigation, and wealth creation resources. This is a onetime appropriation.

(ee) \$3,000,000 each year is for a grant to Propel Nonprofits to provide

capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities. Propel Nonprofits may only award grants to nonprofit organizations that have an annual organizational budget of less than \$1,000,000. These grants may be used for:

(1) organizational infrastructure improvements, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creating or expanding partnerships with existing organizations that have specialized expertise in order to increase capacity of the grantee organization to improve services to the community.

Of this amount, up to five percent may be used by Propel Nonprofits for administrative costs. This is a onetime appropriation.

(ff) \$1,000,000 each year is for a grant to Goodwill Easter Seals Minnesota and its partners. The grant must be used to continue the FATHER Project in Rochester, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally, including with community re-entry following confinement. This is a onetime appropriation.

(gg) \$250,000 the first year is for a grant to the ProStart and Hospitality Tourism Management Program for a well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical

long-term workforce shortages in that industry.

(hh) \$1,400,000 the first year and \$450,000 the second year are for grants to Minnesota Diversified Industries to provide inclusive employment opportunities and services for people with disabilities. This is a onetime appropriation.

(ii) \$1,000,000 the first year is for a grant to Minnesota Diversified Industries to assist individuals with disabilities through the unified work model by offering virtual and in-person career skills classes augmented with virtual reality tools. Minnesota Diversified Industries shall submit a report on the number and demographics of individuals served, hours of career skills programming delivered, outreach to employers, and recommendations for future career skills delivery methods to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and workforce development policy and finance by January 15, 2026. This is a onetime appropriation and is available until June 30, 2025.

(jj) \$1,175,000 each year is for a grant to Summit Academy OIC to expand employment placement, GED preparation and administration, and STEM programming in the Twin Cities, Saint Cloud, and Bemidji. This is a onetime appropriation.

(kk) \$500,000 each year is a grant to Minnesota Independence Community College to provide employment preparation, job placement, job retention, and service coordination services to adults with autism and learning differences. This is a onetime appropriation.

(ll) \$350,000 the first year and \$25,000 the second year are for a grant to the University of Minnesota Tourism Center for the creation and operation of an online hospitality training

program in partnership with Explore Minnesota Tourism. This training program must be made available at no cost to Minnesota residents in an effort to address critical workforce shortages in the hospitality and tourism industries and assist in career development. The base in fiscal year 2026 and beyond is \$25,000 for ongoing system maintenance, management, and content updates.

(mm) \$3,000,000 the first year is for competitive grants to support competitive robotics teams and prepare youth for careers in STEM fields. Of this amount, \$2,000,000 is for creating internships for high school students to work at private companies in STEM fields, including the payment of student stipends.

(nn) \$1,500,000 the first year is for a grant to the nonprofit Sanneh Foundation to fund out-of-school summer programs focused on mentoring and behavioral, social, and emotional learning interventions and enrichment activities directed toward low-income students of color. This appropriation is onetime and available until June 30, 2026.

(oo) \$1,000,000 each year is for a grant to the Hmong American Partnership to expand job training and placement programs primarily serving the Southeast Asian community. These are onetime appropriations.

(pp) \$1,000,000 each year is for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals. Grant money must support short-term certifications and transferable skills in high-demand fields, workforce readiness, customized financial capability, and employment supports. At least 50 percent of this amount must be used for programming

targeted at greater Minnesota. This is a onetime appropriation.

(qq) \$300,000 each year is for a grant to All Square. The grant must be used to support the operations of All Square's Fellowship and Prison to Law Pipeline programs which operate in Minneapolis, St. Paul, and surrounding correctional facilities to assist incarcerated and formerly incarcerated Minnesotans in overcoming employment barriers that prevent economic and emotional freedom. This is a onetime appropriation.

(rr) \$1,000,000 each year is for a grant to the Redemption Project to provide employment services to adults leaving incarceration, including recruiting, educating, training, and retaining employment mentors and partners. This is a onetime appropriation.

(ss) \$3,000,000 each year is for a grant to Community Action Partnership of Hennepin County. These are onetime appropriations. Of this amount:

(1) \$1,500,000 each year is for grants to 21 Days of Peace for social equity building and community engagement activities; and

(2) \$1,500,000 each year is for grants to A Mother's Love for community outreach, empowerment training, and employment and career exploration services.

(tt) \$750,000 each year is for a grant to Mind the G.A.P.P. (Gaining Assistance to Prosperity Program) to improve the quality of life of unemployed and underemployed individuals by improving their employment outcomes and developing individual earnings potential. This is a onetime appropriation and money is available either year of the biennium.

(uu) \$550,000 each year is for a grant to the International Institute of Minnesota. Grant money must be used for workforce training

for New Americans in industries in need of a trained workforce. These are onetime appropriations.

(vv) \$400,000 each year is to Hire to expand their career pathway job training and placement program that connects lower-skilled job seekers to entry-level and gateway jobs in high-growth sectors. These are onetime appropriations.

(ww) \$500,000 each year is for a grant to the American Indian Opportunities and Industrialization Center for workforce development programming, including reducing academic disparities for American Indian students and adults. This is a onetime appropriation.

(xx) \$275,000 each year is to Southeast Minnesota Workforce Development Area #8/Workforce Development, Inc. to provide career planning, career pathway training and education, wraparound support services, and job skills advancement in high-demand careers to individuals with barriers to employment in Steele County, helping families build secure pathways out of poverty while also addressing worker shortages in the Owatonna and Steele County area. Funding must also support Employer Outreach Services to include providing solutions to workforce challenges and direct connections to workforce programming. Grants may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant money may be used for Workforce Development, Inc.'s administrative costs. This is a onetime appropriation and is available until June 30, 2027.

(yy) \$500,000 each year is for a grant to the Black Women's Wealth Alliance to provide

economically eligible individuals with job skills training, career counseling, and job placement assistance. This is a onetime appropriation.

(zz) \$250,000 each year is for a grant to Abijahs on the Backside to provide equine experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder. For purposes of this paragraph, a "first responder" is a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); a full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5; or a volunteer firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 7.

Abijahs on the Backside must report to the commissioner of employment and economic development and the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy and finance on the equine experiential mental health therapy provided to first responders under this paragraph. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to and benefits received by program participants. An initial report is due by January 15, 2024, and a final report is due by January 15, 2026. This is a onetime appropriation.

(aaa) \$200,000 each year is for a grant to Project Restore Minnesota for the Social Kitchen project, a pathway program for careers in the culinary arts. This is a onetime appropriation and is available until June 30, 2027.

(bbb) \$100,000 each year is for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to

promote careers, conduct outreach, provide job skills training, and award scholarships for students pursuing careers in the food industry. This is a onetime appropriation.

(ccc) \$1,200,000 each year is for a grant to Twin Cities R!SE. Of this amount, \$700,000 each year is for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to individuals facing barriers to employment; and \$500,000 each year is to increase the capacity of the Empowerment Institute through employer partnerships across Minnesota and expansion of the youth personal empowerment curriculum. This appropriation is onetime and available until June 30, 2026.

(ddd) \$750,000 each year is for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Grants may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant money may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(eee) \$500,000 each year is for a grant to Big Brothers Big Sisters of the Greater Twin Cities to provide disadvantaged youth ages 12 to 21 with job-seeking skills, connections to job training and education opportunities, and mentorship while exploring careers. The grant shall serve youth in the Big Brothers Big Sisters chapters in the Twin Cities,

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

(fff) \$1,500,000 each year is for a grant to Youthprise to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated African populations statewide. Of these amounts, 50 percent is for subgrants to Ka Joog and 50 percent is for competitive subgrants to community organizations. These are onetime appropriations.

(ggg) \$350,000 each year is for a grant to the YWCA Minneapolis to provide training to eligible individuals, including job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early education. These are onetime appropriations.

(hhh) \$500,000 each year is for a grant to Emerge Community Development to support and reinforce critical workforce at the Emerge Career and Technical Center, Cedar Riverside Opportunity Center, and Emerge Second Chance programs in the city of Minneapolis. This is a onetime appropriation.

(iii) \$425,000 each year is for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. This is a onetime appropriation.

Better Futures Minnesota shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and job skills training provided to program participants.

(jii) \$500,000 each year is for a grant to Pillsbury United Communities to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(kkk) \$500,000 each year is for a grant to Project for Pride in Living for job training and workforce development services for underserved communities. This is a onetime appropriation.

(lll) \$300,000 each year is for a grant to YMCA of the North to provide career exploration, job training, and workforce development services for underserved youth and young adults. This is a onetime appropriation.

(mmm) \$500,000 each year is for a grant to Al Maa'uun for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. This is a onetime appropriation.

(nnn) \$500,000 each year is for a grant to CAIRO to provide workforce development services in health care, technology, and transportation (CDL) industries. This is a onetime appropriation.

(ooo) \$500,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(ppp) \$270,000 each year is for a grant to Stairstep to help community members understand possibilities for improving employment opportunities. This is a onetime appropriation.

(qqq) \$400,000 each year is for a grant to Building Strong Communities, Inc, for a statewide apprenticeship readiness program to prepare women, BIPOC community members, and veterans to enter the building and construction trades. These are onetime appropriations.

(rrr) \$150,000 each year is for prevailing wage staff under Minnesota Statutes, section 116J.871, subdivision 2.

(sss) \$250,000 each year is for the purpose of awarding a grant to Minnesota Community of African People with Disabilities (MNCAPD), Roots Connect, and Fortune Relief and Youth Empowerment Organization (FRAYEO). This is a onetime appropriation. MNCAPD, Roots Connect, and FRAYEO must use grant proceeds to provide funding for workforce development activities for at-risk youth from low-income families and unengaged young adults experiencing disabilities, including:

(1) job readiness training for at-risk youth, including resume building, interview skills, and job search strategies;

(2) on-the-job training opportunities with local businesses;

(3) support services such as transportation assistance and child care to help youth attend job training programs; and

(4) mentorship and networking opportunities to connect youth with professionals in the youth's desired fields.

(ttt) \$500,000 the first year is to the Legislative Coordinating Commission for the Take Force on Youth Interventions. This is a onetime appropriation.

Subd. 4. General Support Services 18,031,000 8,059,000

Appropriations by Fund

2024

2025

<u>General Fund</u>	<u>17,950,000</u>	<u>7,950,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>81,000</u>	<u>109,000</u>

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

(b) \$10,000,000 the first year is for the workforce digital transformation projects. This appropriation is onetime and is available until June 30, 2027.

<u>Subd. 5. Minnesota Trade Office</u>	<u>2,242,000</u>	<u>2,242,000</u>
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(a) \$300,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979. The base for this purpose in fiscal year 2024 and beyond is \$300,000.

(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.

<u>Subd. 6. Vocational Rehabilitation</u>	<u>49,136,000</u>	<u>49,136,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>41,306,000</u>	<u>41,306,000</u>
<u>Workforce</u>		
<u>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) \$11,495,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, \$4,500,000 each year is for maintaining prior rate increases to providers of extended employment services for persons

with severe disabilities under Minnesota Statutes, section 268A.15.

(c) \$6,500,000 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) \$9,011,000 each year is 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

10,425,000

10,425,000

(a) \$500,000 each year is for senior citizens who are becoming blind. At least one-half of the money 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.

(b) \$2,000,000 each year is for the employer reasonable accommodation fund. This is a onetime appropriation.

Sec. 3. EXPLORE MINNESOTA

\$

30,657,000

\$ 15,269,000

(a) \$500,000 the first year and \$500,000 the second year must be matched from nonstate sources to develop maximum private sector involvement in tourism. Each \$1 of state incentive must be matched with \$6 of private sector money. "Matched" means revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism under Minnesota

Statutes, section 116U.05. The incentive in fiscal year 2024 is based on fiscal year 2023 private sector contributions. The incentive in fiscal year 2025 is based on fiscal year 2024 private sector contributions. This incentive is ongoing.

(b) \$12,000,000 the first year is for the development of Explore Minnesota for Business under Minnesota Statutes, section 116U.07, to market the overall livability and economic opportunities of Minnesota. This is a onetime appropriation.

(c) \$2,254,000 is added to the base beginning in fiscal year 2026 to build additional administrative capacity to provide support in the areas of brand strategy, communications, and industry relations.

(d) \$250,000 in fiscal year 2024 is appropriated from the general fund to Explore Minnesota Tourism for a grant to the Grand Portage Band to focus tourism to Grand Portage. This is a onetime appropriation.

(e) Money for marketing grants is available either year of the biennium. Unexpended grant money from the first year is available in the second year.

ARTICLE 2

EXPLORE MINNESOTA

Section 1. Minnesota Statutes 2022, section 116U.05, is amended to read:

116U.05 EXPLORE MINNESOTA TOURISM.

Explore Minnesota ~~Tourism~~ is ~~created~~ as an office in the executive branch with a director appointed by the governor. The director is under the supervision of the commissioner of employment and economic development and oversees Explore Minnesota Tourism and Explore Minnesota for Business divisions. The director serves in the unclassified service and must be qualified by experience and training in ~~travel and tourism~~ related fields.

Sec. 2. [116U.06] EXPLORE MINNESOTA TOURISM.

Explore Minnesota Tourism is a division of Explore Minnesota and exists to support Minnesota's economy through promotion and facilitation of travel to and within the state of Minnesota.

Sec. 3. **[116U.07] EXPLORE MINNESOTA FOR BUSINESS.**

Explore Minnesota for Business is a division of Explore Minnesota. Its mission is to promote overall livability and workforce and economic opportunity in Minnesota. Explore Minnesota for Business works in conjunction with the department of employment and economic development to establish and meet statewide goals in these areas.

Sec. 4. Minnesota Statutes 2022, section 116U.10, is amended to read:

116U.10 DEFINITIONS.

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

Subd. 2. **Director.** "Director" means the executive director of Explore Minnesota ~~Tourism~~.

Subd. 3. **Office.** "Office" means Explore Minnesota ~~Tourism~~.

Sec. 5. Minnesota Statutes 2022, section 116U.15, is amended to read:

116U.15 MISSION.

(a) The mission of Explore Minnesota ~~Tourism~~ is to promote and facilitate increased travel to and within the state of Minnesota, promote overall livability, and promote workforce and economic opportunity in Minnesota. To further the mission of Explore Minnesota, the office is advised by councils focused on tourism and talent attraction and business marketing. Its goals are to:

(1) expand public and private partnerships through increased interagency efforts and increased tourism and business industry participation;

(2) increase productivity through enhanced flexibility and options; and

(3) use innovative fiscal and human resource practices to manage the state's resources and operate the office as efficiently as possible.

(b) The director shall report to the legislature on the performance of the office's operations and the accomplishment of its goals in the office's biennial budget according to section 16A.10, subdivision 1.

Sec. 6. Minnesota Statutes 2022, section 116U.20, is amended to read:

116U.20 ORGANIZATION.

The director shall:

(1) employ assistants and other officers, employees, and agents that the director considers necessary to discharge the functions of the office; ~~and~~

(2) define the duties of the officers, employees, and agents, and delegate to them any of the director's powers, duties, and responsibilities, subject to the director's control and under conditions prescribed by the director;

(3) oversee the overall strategy and budgets of the Tourism and Business divisions; and

(4) chair or cochair and oversee the Tourism and Business councils.

Sec. 7. [116U.24] EXPLORE MINNESOTA COUNCILS.

(a) The director shall be advised by the Explore Minnesota Tourism Council and Explore Minnesota for Business Council, each consisting of voting members appointed by the governor for four-year terms. The director of Explore Minnesota serves as the chair or cochair of each council. The director may assign employees of the office to participate in oversight of council operations.

(b) Each council shall act to serve the broader interests of the council's divisions by promoting activities and programs of the office that support, maintain, and expand the state's domestic and international travel and trade markets, thereby generating increased visitor expenditures, revenue, and employment.

(c) Filling of membership vacancies is as provided in section 15.059. The terms of one-half of the members shall be coterminous with the governor, and the terms of the remaining one-half of the members shall end on the first Monday in January one year after the terms of the other members. Members may serve until their successors are appointed and qualify. Members are not compensated. A member may be reappointed.

(d) The council shall meet at least four times per year and at other times determined by each council.

(e) If compliance with section 13D.02 is impractical, the Explore Minnesota councils may conduct a meeting of their members by telephone or other electronic means so long as the following conditions are met:

(1) all members of each council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of each council and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of each council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(f) Each member of each council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(g) If telephone or other electronic means is used to conduct a meeting, each council, to the extent practicable, shall allow a person to monitor the meeting electronically from a remote location. Each council may require the person making such a connection to pay for documented marginal costs that each council incurs as a result of the additional connection.

(h) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and whether a cost will be incurred under paragraph (f). The timing and method of providing notice is governed by section 13D.04.

Sec. 8. 116U.242 EXPLORE MINNESOTA FOR BUSINESS COUNCIL.

(a) The director shall be advised by the Explore Minnesota for Business Council consisting of up to 14 voting members appointed by the governor for four-year terms, including:

(1) the director of Explore Minnesota and the commissioner of employment and economic development, who serve as cochairs;

(2) three representatives in marketing, human resources, or executive leadership from Minnesota-based companies with more than 100 employees representing Minnesota's key industries, including health care, technology, food and agriculture, manufacturing, retail, energy, and support services;

(3) two representatives from statewide or regional marketing or business association leadership, the Iron Range, and nonprofits focused on economic development or human resource management;

(4) one representative from a Minnesota college or university staff, faculty, leadership, student leadership, or alumni association;

(5) one member representing Minnesota's start-up and entrepreneurial industry who has started at least one Minnesota-based business in the last five years and has at least 20 employees;

(6) two representatives from the Minnesota Indian Affairs Council and Minnesota Tribal leadership, including casino management;

(7) two representatives from Minnesota's Ethnic Chambers of Commerce Leadership and the Minnesota Chamber of Commerce; and

(8) one at-large representative in the field of general marketing, talent attraction, or economic development.

(b) The council shall act to serve the broader interest of promoting overall livability and workforce and economic opportunity in Minnesota. Members shall advise Explore Minnesota for Business' marketing efforts by emphasizing and prioritizing diversity, equity, inclusion, and accessibility and providing professional marketing insights.

Sec. 9. Minnesota Statutes 2022, section 116U.30, is amended to read:

116U.30 DUTIES OF DIRECTOR.

(a) The director shall:

(1) publish, disseminate, and distribute informational and promotional materials;

(2) promote and encourage the coordination of Minnesota travel, tourism, overall livability, and workforce and economic opportunity promotion efforts with other state agencies and develop multiagency marketing strategies when appropriate;

(3) promote and encourage the expansion and development of international tourism, trade, and Minnesota livability marketing;

(4) advertise and disseminate information about Minnesota travel, tourism, and workforce and economic development opportunities;

(5) aid various local communities to improve their travel, tourism, and overall livability marketing programs;

(6) coordinate and implement a comprehensive state travel, tourism, workforce and economic development, and overall livability marketing ~~program~~ programs that ~~takes~~ take into consideration public and private businesses and attractions;

(7) contract, in accordance with section 16C.08, for professional services if the work or services cannot be satisfactorily performed by employees of the agency or by any other state agency;

(8) provide local, regional, and statewide ~~tourism~~ organizations with information, technical assistance, training, and advice on using state tourism and livability information and programs; and

(9) generally gather, compile, and make available statistical information relating to Minnesota travel, tourism, workforce and economic development, overall livability, and related areas in this state, ~~with~~. The director has the authority to call upon other state agencies for statistical data and results obtained by them and to arrange and compile that statistical information.

(b) The director may:

(1) apply for, receive, and spend money for travel, tourism, workforce and economic development, and overall livability development and marketing from other agencies ~~and tourism,~~ organizations, and businesses;

(2) apply for, accept, and disburse grants and other aids for tourism development and marketing from the federal government and other sources;

(3) enter into joint powers or cooperative agreements with agencies of the federal government, local governmental units, regional development commissions, other state agencies, the University of Minnesota and other educational institutions, other states, Canadian provinces, and local, statewide, and regional ~~tourism~~ organizations as necessary to perform the director's duties;

(4) enter into interagency agreements and agree to share net revenues with the contributing agencies;

(5) make grants;

(6) conduct market research and analysis to improve marketing techniques in the area of travel, tourism, workforce and economic development, and overall livability;

(7) monitor and study trends in the ~~tourism industry~~ related industries and provide resources and training to address change;

(8) annually convene conferences of Minnesota ~~tourism~~ providers for the purposes of exchanging information on tourism development, coordinating marketing activities, and formulating tourism, overall livability, and workforce and economic opportunity promotion development strategies; and

(9) enter into ~~tourism~~ promotion contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries; to promote international travel and to implement this chapter.

(c) Contracts for goods and nonprofessional technical services made under paragraph (b), clauses (3) and (9), are not subject to the provisions of sections 16C.03, subdivision 3, and 16C.06 concerning competitive bidding and section 16C.055 concerning barter arrangements. ~~Unless otherwise determined by the commissioner of administration, all other provisions of chapter 16C apply to this section, including section 16C.08, relating to professional and technical services.~~ Contracts may be negotiated and are not subject to the provisions of chapter 16C relating to competitive bidding.

Sec. 10. Minnesota Statutes 2022, section 116U.35, is amended to read:

116U.35 PROMOTIONAL EXPENSES.

To promote travel, tourism, workforce and economic development, and overall livability of the state, the director may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. Policies on promotional expenses must be approved by ~~the Explore Minnesota Tourism Council~~ and the commissioner of administration. A policy for expenditures on food, lodging, and travel must be approved by the commissioner of management and budget. No money may be expended for the appearance in radio or television broadcasts by an elected public official.

ARTICLE 3

PROVIDING RESOURCES AND OPPORTUNITY AND MAXIMIZING INVESTMENT IN STRIVING ENTREPRENEURS

Section 1. TITLE.

This act shall be known as the "Providing Resources and Opportunity and Maximizing Investments in Striving Entrepreneurs (PROMISE) Act."

Sec. 2. PROMISE GRANT PROGRAM.

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

(b) "Business" means both for-profit businesses and nonprofit organizations that earn revenue in ways similar to businesses.

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

(d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and nonprofit corporations receiving grants to provide grants to businesses under this section.

(e) "Program" means the PROMISE grant program under this section.

Subd. 2. **Establishment.** The commissioner shall establish the PROMISE grant program to make grants to partner organizations to make grants to businesses in communities that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, loss of population or an aging population, or lack of regional economic diversification.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to partner organizations to provide grants to businesses under subdivision 4 using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) Up to five percent of a grant under this subdivision may be used by the partner organization for administration and monitoring of the program, and up to three percent of a grant may be used by the partner organization for technical assistance to grantees.

(c) Any money not spent by partner organizations by June 30, 2027, must be returned to the commissioner and canceled back to the general fund.

Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) To be eligible for a grant under this subdivision, a business must:

(1) have primary business operations located in the state of Minnesota;

(2) be located in a community that has been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification; and

(3) have a gross annual revenue of \$350,000 or less based on 2021 taxes.

(c) Preference shall be given to businesses that did not receive previous assistance from the state under:

(1) the governor's Executive Order No. 20-15;

(2) Laws 2020, First Special Session chapter 1, section 4;

(3) Laws 2020, Seventh Special Session chapter 2, article 4 or 5; or

(4) Laws 2021, First Special Session chapter 10, article 2, section 22.

(d) Preference may be given to businesses that are able to demonstrate financial hardship.

(e) Grants under this subdivision must not exceed \$50,000 per grant.

(f) No business may receive more than one grant under this section.

(g) Grant money may be used for land acquisition or for working capital to support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that occur in the regular course of business.

(h) Any grant money used for land acquisition must be repaid to the state if the land acquired is sold within ten years of the grant award.

Subd. 5. **Grant requirements.** All grants to businesses under this section are subject to the grant-making requirements in sections 16B.97, 16B.98, and 16B.991.

Subd. 6. **Reports.** (a) By January 31, 2026, partner organizations participating in the program must provide a report to the commissioner that includes descriptions of the businesses supported by the program, the amounts granted, and an explanation of administrative expenses.

(b) By February 15, 2026, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over economic development about grants made under this section based on the information received under paragraph (a).

Subd. 7. **Expiration.** This section expires December 31, 2027.

Sec. 3. **PROMISE LOAN PROGRAM.**

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

(b) "Borrower" means an eligible recipient receiving a loan guaranteed under this section.

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

(d) "Eligible project" means the development, redevelopment, demolition, site preparation, predesign, design, engineering, repair, land acquisition, relocation, or renovation of real property or capital improvements. Eligible project includes but is not limited to construction of buildings, infrastructure, related site amenities, landscaping, and street-scaping.

(e) "Eligible recipient" means a:

(1) business;

(2) nonprofit organization; or

(3) developer that is seeking funding to complete an eligible project. Eligible recipient does not include a partner organization or a local unit of government.

(f) "Partner organization" or "Partner" means the Minnesota Initiative Foundations and nonprofit corporations receiving grants to provide loans under this section.

(g) "Program" means the PROMISE loan program under this section.

(h) "Redevelopment" means the acquisition of real property; site preparation; predesign, design, engineering, repair, or renovation of facilities façade improvements, and construction of buildings, infrastructure, and related site amenities; landscaping; street-scaping; land-banking for future development or redevelopment; or financing any of these activities taken on by a private party pursuant to an agreement with the city. Redevelopment does not include project costs eligible for compensation or assistance available through insurance policies or from other organizations or government agencies.

(i) "Relocation" means financial support for businesses that would like to relocate to another location within the same city, county, or region in Minnesota.

Subd. 2. **Establishment.** The commissioner shall establish the PROMISE loan program to make grants to partner organizations to make loans to businesses in communities that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to partner organizations to provide loans to businesses as specified under this section.

(b) Up to five percent of a grant under this subdivision may be used by the partner organization for administration and monitoring of the program, and up to three percent of a grant may be used by the partner organization for technical assistance to borrowers.

(c) Any money not spent by partner organizations by June 30, 2027, must be returned to the commissioner and canceled back to the general fund.

Subd. 4. **Loans to eligible recipients.** (a) A partner organization may make loans to eligible recipients for eligible projects. A loan to an eligible recipient for an eligible project must:

- (1) be for no more than \$1,000,000;
- (2) be for a term of no more than ten years; and
- (3) must be a three percent interest loan.

(b) Loans must not be used for working capital or inventory; consolidating, repaying, or refinancing debt; or speculation or investment in rental real estate.

Subd. 5. **Loans to businesses.** (a) To be eligible for a loan under this subdivision, a business must:

- (1) have primary business operations located in the state of Minnesota;
- (2) have gross annual revenue of less than \$1,000,000 based on 2021 taxes; and
- (3) be located in a community that has been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification.

Subd. 6. **Revolving loan fund.** Partner organizations that receive grants from the commissioner under the program must establish a commissioner-certified revolving loan fund for the purpose of making eligible loans.

Subd. 7. **Preference.** (a) Priority shall be given to those businesses that have not received a grant under a Main Street COVID-19 relief grant program or a loan from the Main Street Economic Revitalization Loan Program.

(b) Priority may also be given to projects that involve developers who are Black, Indigenous, or People of Color; veterans; or women.

Subd. 8. **Oversight.** Grants and any loans to borrowers under this section are subject to the grant-making requirements in sections 16B.97, 16B.98, and 16B.991.

Subd. 9. **Reports.** (a) By January 31, 2026, partner organizations participating in the program must provide a report to the commissioner that includes descriptions of the businesses supported by the program, the amounts loaned, and an explanation of administrative expenses.

(b) By February 15, 2026, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over economic development about loans made under this section based on the information received under paragraph (a).

Subd. 10. **Expiration.** This section expires December 31, 2027.

ARTICLE 4

DEED POLICY

Section 1. [116J.418] OFFICE OF CHILD CARE COMMUNITY PARTNERSHIPS.

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

(b) "Child care" means the care of children while parents or guardians are at work or absent for another reason.

(c) "Local unit of government" has the meaning given in section 116G.03, subdivision 3.

(d) "Office" means the Office of Child Care Community Partnerships established in subdivision 2, paragraph (a).

Subd. 2. **Office established; purpose.** (a) An Office of Child Care Community Partnerships is established within the Department of Employment and Economic Development. The department may employ a director and staff necessary to carry out the office's duties under subdivision 4.

(b) The purpose of the office is to support child care businesses within the state in order to:

(1) increase the quantity of quality child care available; and

(2) improve accessibility to child care for underserved communities and populations.

Subd. 3. **Organization.** The office shall consist of a director of the Office of Child Care Community Partnerships, as well as any staff necessary to carry out the office's duties under subdivision 4.

Subd. 4. **Duties.** The office shall have the power and duty to:

(1) coordinate with state, regional, local, and private entities to promote investment in increasing the quantity of quality child care in Minnesota;

(2) coordinate with other agencies including but not limited to Minnesota Management and Budget, the Department of Human Services, and the Department of Education to develop, recommend, and implement solutions to increase the quantity of quality child care openings;

(3) administer the child care economic development grant program and other appropriations to the department for this purpose;

(4) monitor the child care business development efforts of other states and countries;

(5) provide support to the governor's Children's Cabinet;

(6) provide an annual report, as required by subdivision 5; and

(7) perform any other activities consistent with the office's purpose.

Subd. 5. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office of Child Care Community Partnerships shall report to the legislative committees with jurisdiction over child care policy and finance on the office's activities during the previous year.

(b) The report shall contain, at a minimum:

(1) an analysis of the current access to child care within the state;

(2) an analysis of the current shortage of child care workers within the state;

(3) a summary of the office's activities;

(4) any proposed legislative and policy initiatives; and

(5) any other information requested by the legislative committees with jurisdiction over child care, or that the office deems necessary.

(c) The report may be submitted electronically and is subject to section 3.195, subdivision 1.

Sec. 2. [116J.4231] OFFICE OF NEW AMERICANS.

Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is established within the Department of Employment and Economic Development. The governor must appoint an assistant commissioner who serves in the unclassified service. The assistant commissioner must hire a program manager, an office assistant, and any staff necessary to carry out the office's duties under subdivision 2.

(b) The purpose of the office is to foster immigrant and refugee inclusion through an intentional process to improve economic mobility, enhance civic participation, and improve receiving communities' openness to immigrants and refugees by incorporating the needs and aspirations of immigrants and refugees, their families, and their communities for the benefit of all by fulfilling the duties outlined in subdivision 2.

Subd. 2. **Duties.** The Office of New Americans has the following duties:

(1) create and implement a statewide strategy and programming to foster and promote immigrant and refugee inclusion in Minnesota so as to improve economic mobility, enhance civic participation, and improve receiving communities' openness to immigrants and refugees;

(2) address the state's workforce needs by connecting employers and job seekers within the immigrant and refugee community;

(3) identify and support implementation of programs and strategies to reduce employment barriers for immigrants and refugees, including the creation of alternative employment pathways;

(4) support programs and activities designed to ensure equitable access to the workforce for immigrants and refugees, including those who are disabled;

(5) support equitable opportunities for immigrants and refugees to access state government services and grants, including collaborating with Minnesota's ethnic councils as created by section 15.0145;

(6) work with state agencies, Minnesota's ethnic councils, and community and foundation partners to undertake studies and research and analyze economic and demographic trends to better understand and serve the state's immigrant and refugee communities;

(7) coordinate and establish best practices for language access initiatives to all state agencies after soliciting input from Minnesota's ethnic councils;

(8) convene stakeholders to further the objectives identified in subdivision 1;

(9) make policy recommendations to the governor on issues impacting immigrants and refugees in consultation with Minnesota's ethnic councils;

(10) engage all stakeholders to further the objectives identified in subdivision 1 within the context of workforce access and workforce readiness, including in the areas of employment, housing, legal services, health care, and education and communicate the importance of immigrant and refugee inclusion in the success of immigrants, refugees, their children, and the communities in which they settle;

(11) engage with and support existing municipal and county offices that promote and foster immigrant and refugee inclusion and encourage the development of new municipal and county offices dedicated to immigrant and refugee inclusion;

(12) serve as the point of contact for immigrants and refugees accessing resources both within the department and with boards charged with oversight of a profession;

(13) promulgate rules necessary to implement and effectuate this section;

(14) provide an annual report, as required by subdivision 3; and

(15) perform any other activities consistent with the office's purpose.

Subd. 3. **Reporting.** (a) Beginning January 15, 2025, and each year thereafter, the Office of New Americans shall report to the legislative committees with jurisdiction over the office's activities during the previous year.

(b) The report shall contain, at a minimum:

(1) a summary of the office's activities;

(2) suggested policies, incentives, and legislation designed to accelerate the achievement of the duties under subdivision 2;

(3) any proposed legislative and policy initiatives;

(4) the amount and types of grants awarded under subdivision 6; and

(5) any other information deemed necessary and requested by the legislative committees with jurisdiction over the office.

(c) The report may be submitted electronically and is subject to section 3.195, subdivision 1.

Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee Affairs.** (a) An Interdepartmental Coordinating Council on Immigrant and Refugee Affairs is established to advise the Office of New Americans.

(b) The purpose of the council is to identify and establish ways in which state departments, agencies, and Minnesota's ethnic councils can work together to deliver state programs and services effectively and efficiently to Minnesota's immigrant and refugee populations. The council shall implement policies, procedures, and programs requested by the governor through the state departments and offices.

(c) The council shall be chaired by the assistant commissioner of the Office of New Americans and shall include the commissioners, department directors, or designees from the following:

(1) the governor's office;

(2) the Department of Administration;

(3) the Department of Employment and Economic Development;

(4) the Department of Human Services;

(5) the Department of Human Services Refugee Resettlement Programs Office;

(6) the Department of Labor and Industry;

(7) the Department of Health;

(8) the Department of Education;

(9) the Office of Higher Education;

(10) the Department of Public Safety;

(11) the Department of Corrections;

(12) the Council on Asian Pacific Minnesotans;

(13) the Council for Minnesotans of African Heritage; and

(14) the Minnesota Council on Latino Affairs.

(d) Each department or office specified in paragraph (c) shall designate one staff member as an immigrant and refugee services liaison. The liaison's responsibilities shall include:

(1) preparation and dissemination of information and services available to immigrants and refugees; and

(2) interfacing with the Office of New Americans on issues that impact immigrants and refugees and their communities.

Subd. 5. **No right of action.** Nothing in this section shall be construed to create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the state; its departments, agencies, or entities; its officers, employees, or agents; or any other person.

Subd. 6. **Grants.** The Office of New Americans may apply for grants for interested state agencies, community partners, and stakeholders under this section to carry out the duties under subdivision 2.

Sec. 3. Minnesota Statutes 2022, section 116J.5492, subdivision 8, is amended to read:

Subd. 8. **Meetings.** The advisory committee must meet ~~monthly until the energy transition plan is submitted~~ quarterly and submit an updated energy transition plan annually to the governor and the legislature. Once submitted, the committee shall develop a regular meeting schedule as needed. The chair may call additional meetings as necessary.

Sec. 4. Minnesota Statutes 2022, section 116J.5492, subdivision 10, is amended to read:

Subd. 10. **Expiration.** This section expires ~~the day after the Minnesota energy transition plan required under section 116J.5493 is submitted to the legislature and the governor~~ on June 30, 2027.

Sec. 5. **[116J.682] SMALL BUSINESS ASSISTANCE PARTNERSHIPS PROGRAM.**

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

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

(c) "Partner organizations" or "partners" means:

(1) nonprofit organizations or public entities, including higher education institutions, engaged in business development or economic development;

(2) community development financial institutions; or

(3) community development corporations.

(d) "Small business" has the meaning given in section 3 of the Small Business Act, United States Code, title 15, section 632.

(e) "Underserved populations and geographies" means individuals who are Black, Indigenous, people of color, veterans, people with disabilities, and low-income individuals and includes people from rural Minnesota.

Subd. 2. **Establishment.** The commissioner shall establish the small business assistance partnerships program to make grants to local and regional community-based organizations to provide small business development and technical assistance services to entrepreneurs and small business owners.

Subd. 3. **Small business assistance partnerships grants.** (a) The commissioner shall make small business assistance partnerships grants to local and regional community-based organizations to provide small business development and technical assistance services to entrepreneurs and small business owners. The commissioner must prioritize applications that provide services to underserved populations and geographies.

(b) Grantees shall use the grant funds to provide high-quality, free or low-cost professional business development and technical assistance services that support the start-up, growth, and success of Minnesota's entrepreneurs and small business owners.

Subd. 4. **Report.** By January 31 of each year, partner organizations participating in the program must provide a report to the commissioner on the outcomes of the program, including but not limited to the number of entrepreneurs and small businesses served, number of hours of business assistance services provided, number of new businesses started, number of full-time equivalent jobs created and retained, and demographic and geographic details of the individuals being served.

Sec. 6. [116J.8733] MINNESOTA EXPANDING OPPORTUNITY FUND PROGRAM.

Subdivision 1. **Establishment.** The Minnesota Expanding Opportunity Fund Program is established to capitalize Minnesota nonprofit corporations to increase lending activities with Minnesota small businesses.

Subd. 2. **Long-term loans.** The department may make long-term loans of ten to 12 years at 0.5 percent or lower interest rates to nonprofit corporations to enable nonprofit corporations to make more loans to Minnesota small businesses. The department may use the interest received to offset the cost of administering small business lending programs.

Subd. 3. **Loan eligibility; nonprofit corporation.** (a) The eligible nonprofit corporation must not meet the definition of recipient under section 116J.993, subdivision 6.

(b) The commissioner may enter into loan agreements with Minnesota nonprofit corporations that apply to participate in the Minnesota Expanding Opportunity Fund Program. The commissioner shall evaluate applications from applicant nonprofit corporations. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation:

(1) meets the statutory definition of a community development financial institution as defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994, United States Code, title 12, section 4702;

(2) has a board of directors or loan or credit committee that includes citizens experienced in small business services and community development;

(3) has the technical skills to analyze small business loan requests;

(4) is familiar with other available public and private funding sources and economic development programs;

(5) is enrolled in one or more eligible federally funded state programs; and

(6) has the administrative capacity to manage a loan portfolio.

Subd. 4. **Revolving loan fund.** (a) The commissioner shall establish a revolving loan fund to make loans to nonprofit corporations for the purpose of increasing nonprofit corporation capital and lending activities with Minnesota small businesses.

(b) Nonprofit corporations that receive loans from the commissioner under the program must establish appropriate accounting practices for the purpose of tracking eligible loans.

Subd. 5. **Loan portfolio administration.** (a) The interest rate charged by a nonprofit corporation for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus two percent. A nonprofit corporation participating in the Minnesota Expanding Opportunity Fund Program may charge a loan closing fee equal to or less than two percent of the loan value.

(b) The nonprofit corporation may retain all earnings from fees and interest from loans to small businesses.

Subd. 6. **Cooperation.** A nonprofit corporation that receives a program loan shall cooperate with other organizations, including but not limited to community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 7. **Reporting requirements.** (a) A nonprofit corporation that receives a program loan must submit an annual report to the commissioner by February 15 of each year that includes:

(1) the number of businesses to which a loan was made;

(2) a description of businesses supported by the program;

(3) demographic information, as specified by the commissioner, regarding each borrower;

(4) an account of loans made during the calendar year;

- (5) the program's impact on job creation and retention;
- (6) the source and amount of money collected and distributed by the program;
- (7) the program's assets and liabilities; and
- (8) an explanation of administrative expenses.

(b) A nonprofit corporation that receives a program loan must provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Sec. 7. Minnesota Statutes 2022, section 116J.8748, subdivision 3, is amended to read:

Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To receive designation as a Minnesota job creation fund business, a business must satisfy all of the following conditions:

(1) the business is or will be engaged in, within Minnesota, one of the following as its primary business activity:

- (i) manufacturing;
- (ii) warehousing;
- (iii) distribution;
- (iv) information technology;
- (v) finance;
- (vi) insurance; or
- (vii) professional or technical services;

(2) the business must not be primarily engaged in lobbying; gambling; entertainment; professional sports; political consulting; leisure; hospitality; or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, or primarily engaged in making retail sales to purchasers who are physically present at the business's location;

(3) the business must enter into a binding construction and job creation business subsidy agreement with the commissioner to expend directly, or ensure expenditure by or in partnership with a third party constructing or managing the project, at least \$500,000 in capital investment in a capital investment project that includes a new, expanded, or remodeled facility within one year following designation as a Minnesota job creation fund business or \$250,000 if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; and:

(i) create at least ten new full-time employee positions within two years of the benefit date following the designation as a Minnesota job creation fund business or five new full-time employee

positions within two years of the benefit date if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; or

(ii) expend at least \$25,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least ~~200~~ 100 employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, ~~and 75~~ or expend at least \$10,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 50 employees for projects located outside the metropolitan area;

(4) positions or employees moved or relocated from another Minnesota location of the Minnesota job creation fund business must not be included in any calculation or determination of job creation or new positions under this paragraph; and

(5) a Minnesota job creation fund business must not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual to satisfy job creation goals under this subdivision.

(b) Prior to approving the proposed designation of a business under this subdivision, the commissioner shall consider the following:

(1) the economic outlook of the industry in which the business engages;

(2) the projected sales of the business that will be generated from outside the state of Minnesota;

(3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;

(4) whether the business activity would occur without financial assistance;

(5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;

(6) whether the business has viable location options outside Minnesota;

(7) the effect of financial assistance on industry competitors in Minnesota;

(8) financial contributions to the project made by local governments; and

(9) any other criteria the commissioner deems necessary.

(c) Upon receiving notification of local approval under subdivision 2, the commissioner shall review the determination by the local government and consider the conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local area to designate a business as a Minnesota job creation fund business.

(d) If the commissioner designates a business as a Minnesota job creation fund business, the business subsidy agreement shall include the performance outcome commitments and the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

Sec. 8. Minnesota Statutes 2022, section 116J.8748, subdivision 4, is amended to read:

Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and capital investment goals noted in its agreement under subdivision 3.

(b) A qualified Minnesota job creation fund business may be certified eligible for the benefits in this paragraph for up to five years for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and seven years for projects located outside the metropolitan area, as determined by the commissioner when considering the best interests of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a), clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located outside the metropolitan area may be for up to seven years in length. The eligibility for the following benefits begins the date the commissioner certifies the business as a qualified Minnesota job creation fund business under this subdivision:

(1) up to five percent rebate for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan area, on capital investment on qualifying purchases as provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

(2) an award of up to \$500,000 based on full-time job creation and wages paid as provided in subdivision 6 with the total award not to exceed \$500,000;

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment and ~~200~~ 100 new employees in the metropolitan area as defined in section 200.02, subdivision 24, and ~~75~~ 50 new employees for projects located outside the metropolitan area;

(4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and ~~200~~ 100 retained employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, ~~and 75~~ or at least \$10,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 50 retained employees for projects located outside the metropolitan area; and

(5) for clauses (3) and (4) only, the capital investment expenditure requirements may include the installation and purchases of machinery and equipment. These expenditures are not eligible for the capital investment rebate provided under subdivision 5.

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4). Under paragraph (b) clause (4), a job creation award of \$2,000 per retained job may be provided one time if the qualified Minnesota job creation fund business meets the minimum capital investment and retained employee requirement as provided in paragraph (b), clause (4), for at least two years.

(d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least \$500,000 in capital investment in the project and at least ten full-time jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

(e) The forms needed to be submitted to document performance by the Minnesota job creation fund business must be in the form and be made under the procedures specified by the commissioner. The forms shall include documentation and certification by the business that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66, and other provisions as specified by the commissioner.

(f) Minnesota job creation fund businesses must pay each new full-time employee added pursuant to the agreement total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

(g) A Minnesota job creation fund business must demonstrate reasonable progress on capital investment expenditures within six months following designation as a Minnesota job creation fund business to ensure that the capital investment goal in the agreement under subdivision 1 will be met. Businesses not making reasonable progress will not be eligible for benefits under the submitted application and will need to work with the local government unit to resubmit a new application and request to be a Minnesota job creation fund business. Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not be considered a default of the business subsidy agreement.

Sec. 9. Minnesota Statutes 2022, section 116J.8748, subdivision 6, is amended to read:

Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new job created and maintained under subdivision 4, paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than \$45,000; ~~and~~ \$3,000 for each job position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position paying at least \$55,000; and as noted in the goals under the agreement provided under subdivision 1. These awards are increased by \$1,000 if the business is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability.

(b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000 award for each job retained and maintained under subdivision 4, paragraph (b), clause (4), provided that each retained job pays total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 150 percent of the federal poverty level for a family of four.

(b)(c) The job creation award schedule must be adjusted annually using the percentage increase in the federal poverty level for a family of four.

(e)(d) Minnesota job creation fund businesses seeking an award credit provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner.

Sec. 10. Minnesota Statutes 2022, section 116J.8748, is amended by adding a subdivision to read:

Subd. 6a. **Transfer.** The commissioner may transfer up to \$2,000,000 of a fiscal year appropriation between the Minnesota job creation fund program and the redevelopment grant program to meet business demand.

Sec. 11. [116J.8751] LAUNCH MINNESOTA.

Subdivision 1. **Establishment.** Launch Minnesota is established within the Business and Community Development Division of the Department of Employment and Economic Development to encourage and support the development of new private sector technologies and support the science and technology policies under section 3.222. Launch Minnesota must provide entrepreneurs and emerging technology-based companies business development assistance and financial assistance to spur growth.

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

(b) "Advisory board" means the board established under subdivision 10.

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

(d) "Department" means the Department of Employment and Economic Development.

(e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business entity and secures resources directed to its growth while bearing the risk of loss.

(f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

(g) "Innovative technology and business" means a new novel business model or product; a derivative product incorporating new elements into an existing product; a new use for a product; or a new process or method for the manufacture, use, or assessment of any product or activity, patentability, or scalability. Innovative technology or business model does not include locally based retail, lifestyle, or business services. The business must not be primarily engaged in real estate development, insurance, banking, lending, lobbying, political consulting, information technology consulting, wholesale or retail trade, leisure, hospitality, transportation, construction, ethanol

production from corn, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants.

(h) "Institution of higher education" has the meaning given in section 136A.28, subdivision 6.

(i) "Minority group member" means a United States citizen or lawful permanent resident who is Asian, Pacific Islander, Black, Hispanic, or Native American.

(j) "Research and development" means any activity that is:

(1) a systematic, intensive study directed toward greater knowledge or understanding of the subject studies;

(2) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or

(3) a systematic application of knowledge toward the production of useful materials, devices, systems and methods, including design, development and improvement of prototypes and new processes to meet specific requirements.

(k) "Start-up" means a business entity that has been in operation for less than ten years, has operations in Minnesota, and is in the development stage defined as devoting substantially all of its efforts to establishing a new business and either of the following conditions exists:

(1) planned principal operations have not commenced; or

(2) planned principal operations have commenced, but have raised at least \$1,000,000 in equity financing.

(l) "Technology-related assistance" means the application and utilization of technological-information and technologies to assist in the development and production of new technology-related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services.

(m) "Trade association" means a nonprofit membership organization organized to promote businesses and business conditions and having an election under Internal Revenue Code section 501(c)(3) or 501(c)(6).

(n) "Veteran" has the meaning given in section 197.447.

Subd. 3. Duties. The commissioner, by and through Launch Minnesota, shall:

(1) support innovation and initiatives designed to accelerate the growth of innovative technology and business start-ups in Minnesota;

(2) in partnership with other organizations, offer classes and instructional sessions on how to start an innovative technology and business start-up;

(3) promote activities for entrepreneurs and investors regarding the state's growing innovation economy;

(4) hold events and meetings that gather key stakeholders in the state's innovation sector;

(5) conduct outreach and education on innovation activities and related financial programs available from the department and other organizations, particularly for underserved communities;

(6) interact and collaborate with statewide partners including but not limited to businesses, nonprofits, trade associations, and higher education institutions;

(7) administer an advisory board to assist with direction, grant application review, program evaluation, report development, and partnerships;

(8) accept grant applications under subdivisions 5, 6, and 7 and work with the advisory board to review and prioritize the applications and provide recommendations to the commissioner; and

(9) perform other duties at the commissioner's discretion.

Subd. 4. **Administration.** (a) The executive director shall:

(1) assist the commissioner and the advisory board in performing the duties of Launch Minnesota; and

(2) comply with all state and federal program requirements, and all state and federal securities and tax laws and regulations.

(b) Launch Minnesota may occupy and lease physical space in a private coworking facility that includes office space for staff and space for community engagement for training entrepreneurs. The physical space leased under this paragraph is exempt from the requirements in section 16B.24, subdivision 6.

(c) At least three times per month, Launch Minnesota staff shall communicate with organizations in greater Minnesota that have received a grant under subdivision 7. To the extent possible, Launch Minnesota shall form partnerships with organizations located throughout the state.

(d) Launch Minnesota must accept grant applications under this section and provide funding recommendations to the commissioner and the commissioner shall distribute grants based in part on the recommendations.

Subd. 5. **Application process.** (a) The commissioner shall establish the application form and procedures for grants.

(b) Upon receiving recommendations from Launch Minnesota, the commissioner is responsible for evaluating all applications using evaluation criteria which shall be developed by Launch Minnesota in consultation with the advisory board.

(c) For grants under subdivision 6, priority shall be given if the applicant is:

(1) a business or entrepreneur located in greater Minnesota; or

(2) a business owner, individual with a disability, or entrepreneur who is a woman, veteran, or minority group member.

(d) For grants under subdivision 7, priority shall be given if the applicant is planning to serve:

(1) businesses or entrepreneurs located in greater Minnesota; or

(2) business owners, individuals with disabilities, or entrepreneurs who are women, veterans, or minority group members.

(e) The department staff, and not Launch Minnesota staff, are responsible for awarding funding, disbursing funds, and monitoring grantee performance for all grants awarded under this section.

(f) Grantees must provide matching funds by equal expenditures and grant payments must be provided on a reimbursement basis after review of submitted receipts by the department.

(g) Grant applications must be accepted on a regular periodic basis by Launch Minnesota and must be reviewed by Launch Minnesota and the advisory board before being submitted to the commissioner with their recommendations.

Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants under this subdivision.

(b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or entrepreneur for research and development expenses, direct business expenses, and the purchase of technical assistance or services from public higher education institutions and nonprofit entities. Research and development expenditures may include but are not limited to proof of concept activities, intellectual property protection, prototype designs and production, and commercial feasibility. Expenditures funded under this subdivision are not eligible for the research and development tax credit under section 290.068. Direct business expenses may include rent, equipment purchases, and supplier invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed under this paragraph. Technical assistance or services must be purchased to assist in the development or commercialization of a product or service to be eligible. Each business or entrepreneur may receive only one grant per biennium under this paragraph.

(c) The commissioner shall provide a grant of up to \$35,000 in Phase 1 or \$50,000 in Phase 2 to an eligible business or entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur may receive only one grant per biennium under this paragraph. Grants under this paragraph are not subject to the requirements of subdivision 2, paragraph (k).

Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur education grants to institutions of higher education and other organizations to provide educational programming to entrepreneurs and provide outreach to and collaboration with businesses, federal and state agencies, institutions of higher education, trade associations, and other organizations working to advance innovative technology businesses throughout Minnesota.

(b) Applications for entrepreneur education grants under this subdivision must be submitted to the commissioner and evaluated by department staff other than Launch Minnesota. The evaluation criteria must be developed by Launch Minnesota, in consultation with the advisory board, and the commissioner, and priority must be given to an applicant who demonstrates activity assisting business

owners or entrepreneurs residing in greater Minnesota or who are women, veterans, or minority group members.

(c) Department staff other than Launch Minnesota staff are responsible for awarding funding, disbursing funds, and monitoring grantee performance under this subdivision.

(d) Grantees may use the grant funds to deliver the following services:

(1) development and delivery to innovative technology businesses of industry specific or innovative product or process specific counseling on issues of business formation, market structure, market research and strategies, securing first mover advantage or overcoming barriers to entry, protecting intellectual property, and securing debt or equity capital. This counseling is to be delivered in a classroom setting or using distance media presentations;

(2) outreach and education to businesses and organizations on the small business investment tax credit program under section 116J.8737, the MNvest crowd-funding program under section 80A.461, and other state programs that support innovative technology business creation especially in underserved communities;

(3) collaboration with institutions of higher education, local organizations, federal and state agencies, the Small Business Development Center, and the Small Business Assistance Office to create and offer educational programming and ongoing counseling in greater Minnesota that is consistent with those services offered in the metropolitan area; and

(4) events and meetings with other innovation-related organizations to inform entrepreneurs and potential investors about Minnesota's growing innovation economy.

Subd. 8. **Report.** (a) Launch Minnesota shall annually report by December 31 to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development policy and finance. Each report shall include information on the work completed, including awards made by the department under this section and progress toward transferring the activities of Launch Minnesota to an entity outside of state government.

(b) By December 31, 2024, Launch Minnesota shall provide a comprehensive transition plan to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development policy and finance. The transition plan shall include: (1) a detailed strategy for the transfer of Launch Minnesota activities to an entity outside of state government; (2) the projected date of the transfer; and (3) the role of the state, if any, in ongoing activities of Launch Minnesota or its successor entity.

Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to advise the executive director regarding the activities of Launch Minnesota, make the recommendations described in this section, and develop and initiate a strategic plan for transferring some activities of Launch Minnesota to a new or existing public-private partnership or nonprofit organization outside of state government.

(b) The advisory board shall consist of ten members and is governed by section 15.059. A minimum of seven members must be from the private sector representing business and at least two members but no more than three members must be from government and higher education. At least

three of the members of the advisory board shall be from greater Minnesota and at least three members shall be minority group members. Appointees shall represent a range of interests, including entrepreneurs, large businesses, industry organizations, investors, and both public and private small business service providers.

(c) The advisory board shall select a chair from its private sector members. The executive director shall provide administrative support to the committee.

(d) The commissioner, or a designee, shall serve as an ex-officio, nonvoting member of the advisory board.

Sec. 12. **[116J.8752] MINNESOTA FORWARD FUND.**

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

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include but is not limited to specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of capital investment and employment goals. The municipality, local unit of government, or business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other business entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees are or will be employed, equipment and machinery in the building, and operating expenses related to the building.

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

(f) "Fund" means the Minnesota forward fund.

Subd. 2. **Minnesota forward fund account.** The Minnesota forward fund account is created as a separate account in the treasury. Money in the account is appropriated to the commissioner of employment and economic development for the purposes of this section. All money earned by the account, loan repayments of principal, and interest must be credited to the account. The commissioner shall operate the account as a revolving account.

Subd. 3. **Purpose.** The Minnesota forward fund is created to increase the state's competitiveness by providing the state the authority and flexibility to facilitate private investment. The fund serves as a closing fund to allow the authority and flexibility to negotiate incentives to better compete with other states for business retention, expansion and attraction of projects in existing and new industries, develop properties for business use, and leverage to meet matching requirements of federal funding for resiliency in economic security and economic enhancement opportunities that provide the public high-quality employment opportunities. The commissioner shall use money appropriated to the fund to:

(1) create and retain permanent private-sector jobs in order to create above-average economic growth consistent with environmental protection;

(2) stimulate or leverage private investment to ensure economic renewal and competitiveness;

(3) increase the local tax base, based on demonstrated measurable outcomes, to guarantee a diversified industry mix;

(4) improve the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;

(5) improve employment and economic opportunity for citizens in the region to create a reasonable standard of living, consistent with federal and state guidelines on low- to moderate-income persons;

(6) stimulate productivity growth through improved manufacturing or new technologies; and

(7) match or leverage private or public funding to increase investment and opportunity in the state.

Subd. 4. **Use of fund.** The commissioner may use money in the fund to make grants, loans and forgivable loans, to businesses that are making large private capital investments in existing and new industries. The commissioner may also use money in the fund to make grants to communities and higher education institutions to support such capital investments and related activities to support the industries. Money may be used to address capital needs of businesses for machinery and equipment purchases; building construction and remodeling; land development; water and sewer lines, roads, rail lines, and natural gas and electric infrastructure; working capital; and workforce training. Money may also be used for matching federal grants for research and development projects and industry workforce training grants for existing and new industries that require state and local match. Money in the fund may also be used for administration and monitoring of the program and to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Subd. 5. **Grant limits.** (a) Individual business expansion projects are limited to no more than \$20,000,000 in grants or loans combined. The commissioner shall not be precluded from using other funding sources from the Department of Employment and Economic Development to facilitate a project. Total funding per business under this section shall not exceed \$20,000,000, of which no more than \$10,000,000 may be grants and \$10,000,000 may be loans.

(b) The commissioner may use money in the fund to make grants to a municipality or local unit of government for public and private infrastructure needed to support an eligible project under this section. Grant money may be used by the municipality or local unit of government to predesign, design, construct, and equip roads and rail lines; acquire and prepare land for development; and, in cooperation with municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. The maximum grant award per local unit of government under this section is \$10,000,000.

(c) The commissioner may use money in the fund to make grants to institutions of higher education for developing and deploying training programs and to increase the capacity of the institution to serve industrial requirements for research and development that coincide with current

and future requirements of projects eligible under this section. Grant money may be used to construct and equip facilities that serve the purpose of the industry. The maximum grant award per institution of higher education under this section is \$5,000,000 and may not represent more than 33 percent of the total project funding from other sources.

(d) Grants under this subdivision are available until expended.

Subd. 6. **Administration.** (a) Eligible applicants for the state-funded portion of the fund also include development authorities as defined in section 116J.552, subdivision 4, provided that the governing body of the municipality approves, by resolution, the application of the development authority. Institutions of higher education also constitute eligible applicants for the purpose of developing and deploying workforce training programs and for developing and deploying research and development partnerships for projects eligible under this section.

(b) The business, municipality, or local unit of government must request and submit an application to the commissioner. Applications must be in the form and procedure specified by the commissioner.

(c) The commissioner must conduct due diligence, including contracting with professionals as needed to assist in the due diligence.

(d) Notwithstanding any other law to the contrary, grant and loan agreements through the Minnesota forward fund may exceed five years but not more than ten years.

Subd. 7. **Requirements prior to committing funds.** Prior to the commissioner making a commitment for grant or loan under this section, the Legislative Advisory Commission and governor must jointly provide written authorization. The commissioner shall provide a written report to the Legislative Advisory Commission and governor, including but not limited to the purpose of the award, the project overview, financial details, and the performance requirements required 14 days prior to any meeting or decision.

Subd. 8. **Eligible projects.** (a) The governor and the Legislative Advisory Commission must evaluate applications under this section on the existence of one or more of the following conditions:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) whether the project can demonstrate that investment of public dollars induces private and other public funds as follows;

(i) businesses in the seven-county metropolitan area must invest more than \$40,000,000 in capital expenditures and create at least 70 jobs or retain at least 150 jobs;

(ii) businesses outside of the seven-county metropolitan area must invest more than \$25,000,000 in capital expenditures and create at least 40 new jobs or retain at least 75 jobs; and

(iii) cash wages of each new employee must exceed 120 percent of federal poverty guidelines for a family of four, adjusted annually;

(3) whether the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

(4) whether assistance is necessary to retain existing business or whether assistance is necessary to attract out-of-state business;

(5) the project promotes or advances an industry in which the federal government is making large investments to strengthen domestic production and supply chains that are resilient for economic security and economic enhancement opportunities;

(6) the project promotes or advances the green economy as defined in section 116J.437;

(7) the project requires state resources beyond the capability of existing programs at the department and by its significance, requires the governor and legislature's involvement; and

(8) written support from the municipality or local unit of government in which the project will be located.

(b) The governor and the Legislative Advisory Commission shall submit applications recommended for funding to the commissioner.

Subd. 9. **Requirements for fund disbursements.** Disbursements of loan funds pursuant to a commitment may not be made until:

(1) commitments for the remainder of a project's funding are made that are satisfactory to the commissioner and disbursements made from the other commitments are sufficient to protect the interests of the state in its grant or loan;

(2) performance requirements are met, if any;

(3) the municipality or local unit of government in which the project will be located has passed a resolution of support for the project and submitted this resolution of support to the department; and

(4) all of a project's funding is satisfactory to the commissioner and disbursements made from other commitments are sufficient to protect the interests of the state.

Subd. 10. **Reporting.** The commissioner shall provide the Legislative Advisory Commission and the ranking members of the committees with jurisdiction over economic development with an annual report on all projects that have been approved by February 15 of each year until this section is repealed or the funding has been exhausted.

Sec. 13. Minnesota Statutes 2022, section 116L.361, subdivision 7, is amended to read:

Subd. 7. ~~Very Low income.~~ "Very Low income" means incomes that are at or less than ~~50~~ 80 percent of the area median income, adjusted for family size, as estimated by the Department of Housing and Urban Development.

Sec. 14. Minnesota Statutes 2022, section 116L.362, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience for targeted youth who have not been served

effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, improvement, or construction of (1) residential units for the homeless; (2) improvements to the energy efficiency and environmental health of residential units and other green jobs purposes; (3) facilities to support community garden projects; or (4) education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.

(b) Eligible facilities must principally provide services to homeless or ~~very~~ low income individuals and families, and include the following:

- (1) Head Start or day care centers, including playhouses or similar incidental structures;
- (2) homeless, battered women, or other shelters;
- (3) transitional housing and tiny houses;
- (4) youth or senior citizen centers;
- (5) community health centers; and
- (6) community garden facilities.

Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Sec. 15. Minnesota Statutes 2022, section 116L.364, subdivision 3, is amended to read:

Subd. 3. **Work experience component.** A work experience component must be included in each program. The work experience component must provide vocational skills training in an industry where there is a viable expectation of job opportunities. A training subsidy, living allowance, or stipend, not to exceed an amount equal to 100 percent of the poverty line for a family of two as defined in United States Code, title 42, section 673, paragraph (2) the final rules and regulations of the Workforce Innovation and Opportunity Act, may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in (1) the expansion or improvement of residential units for homeless persons and ~~very~~ low income families; (2) improvements to the energy efficiency and environmental health of residential units; (3) facilities to support community garden projects; or (4) rehabilitation, improvement, or construction of eligible education, social service, or health facilities that principally serve homeless or ~~very~~ low income individuals and families. Any work project must include direct supervision by individuals skilled in each specific vocation. Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

Sec. 16. **[116L.43] TARGETED POPULATIONS WORKFORCE GRANTS.**

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

(b) "Entry level jobs" means part-time or full-time jobs that an individual can perform without any prior education or experience.

(c) "High wage" means the income needed for a family to cover minimum necessary expenses in a given area, including food, child care, health care, housing, and transportation.

(d) "Industry specific certification" means a credential an individual can earn to show proficiency in a particular area or skill.

(e) "Remedial training" means additional training provided to staff following the identification of a need intended to increase proficiency in performing job tasks.

(f) "Small business" has the same meaning as section 645.445.

(g) "Workforce development community-based organization" means a nonprofit organization with under \$1,000,000 in annual revenue that performs workforce development activities.

Subd. 2. Job and entrepreneurial skills training grants. (a) The commissioner shall establish a job and entrepreneurial skills training grant program that must provide competitive funding to organizations to provide skills training that leads to employment or business development in high-growth industries.

(b) Grants must be used to provide skills training including:

(1) student tutoring and testing support services;

(2) training and employment placement in high-wage and high-growth employment;

(3) assistance in obtaining industry specific certifications;

(4) remedial training leading to enrollment;

(5) real-time work experience or on-the-job training;

(6) career and educational counseling;

(7) work experience and internships;

(8) supportive services;

(9) tuition reimbursement for new entrants into public sector careers;

(10) career mentorship;

(11) postprogram case management services;

(12) job placement services; and

(13) the cost of corporate board of director training for people of color.

(c) The commissioner must award grants to community-based organizations meeting the following criteria:

- (1) the organization's primary operations are located in communities of color;
- (2) 80 percent of the organization's participants reflect the demographics of the community; and
- (3) the organization's community has a high unemployment rate or poverty rate.

(d) Grant awards must not exceed \$750,000 per year per organization and all funding awards must be made for the duration of a biennium. An organization may partner with another organization to utilize grant awards, provided that the organizations must not be funded to deliver the same services. Grants awarded under this subdivision are not subject to section 116L.98.

Subd. 3. **Diversity and inclusion training for small employers.** (a) The commissioner shall establish a diversity and inclusion training grant program which shall provide competitive grants to businesses that commit to actively engage, hire, and retain people of color for both entry level and high-wage opportunities.

(b) Grant awards must not exceed \$300,000 per year per business. A business may only receive one grant for diversity and inclusion training per biennium.

(c) Grant funds must be used to train small businesses in outreach, recruitment, and retention of entry-level, mid-level, and senior-level management and a board of directors. Grant recipients are required to submit a plan for use of the funds and an implementation plan after training is completed.

(d) Grants awarded under this subdivision are not subject to section 116L.98.

Subd. 4. **Capacity building.** (a) The commissioner shall establish a capacity building grant program to provide training services and funding to small workforce development community-based organizations.

(b) Eligible organizations include nonprofit organizations that have:

- (1) primary offices located in low-income communities;
- (2) an annual client service base of over 80 percent of people of color; and
- (3) an annual budget of less than \$1,000,000.

(c) Eligible uses of grant awards include covering the cost of workforce program delivery staff, program infrastructure costs, and workforce training related service model development.

(d) Grant awards must not exceed \$50,000 per organization and are limited to one grant per organization.

(e) Grants awarded under this subdivision are not subject to section 116L.98.

(f) By January 15, 2025, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that details the use of grant awards. If data is available, the report must contain data that is disaggregated by race, cultural groups, family income, age, geographical location, migrant or foreign immigrant status, primary language, whether the participant is an English learner under section 124D.59, disability, and status of homelessness.

Sec. 17. Minnesota Statutes 2022, section 116L.56, subdivision 2, is amended to read:

Subd. 2. **Eligible applicant.** "Eligible applicant" means an individual who is between the ages of 14 and ~~21~~ 24 and economically disadvantaged.

An at-risk youth who is classified as a family of one is deemed economically disadvantaged. For purposes of eligibility determination the following individuals are considered at risk:

- (1) a pregnant or parenting youth;
- (2) a youth with limited English proficiency;
- (3) a potential or actual school dropout;
- (4) a youth in an offender or diversion program;
- (5) a public assistance recipient or a recipient of group home services;
- (6) a youth with disabilities including learning disabilities;
- (7) a child of drug or alcohol abusers or a youth with substance use disorder;
- (8) a homeless or runaway youth;
- (9) a youth with basic skills deficiency;
- (10) a youth with an educational attainment of one or more levels below grade level appropriate to age; or
- (11) a foster child.

Sec. 18. Minnesota Statutes 2022, section 116L.561, subdivision 5, is amended to read:

Subd. 5. **Allocation formula.** Seventy percent of Minnesota youth program funds must be allocated based on the county's share of economically disadvantaged youth. The remaining 30 percent must be allocated based on the county's share of population ages 14 to ~~21~~ 24.

Sec. 19. Minnesota Statutes 2022, section 116L.562, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section:

- (1) "eligible organization" or "eligible applicant" means a local government unit, nonprofit organization, community action agency, or a public school district;

(2) "at-risk youth" means youth classified as at-risk under section 116L.56, subdivision 2; and

(3) "economically disadvantaged" means youth who are economically disadvantaged as defined in United States Code, title 29, section 1503 the rules and regulations of the Workforce Innovation and Opportunity Act.

Sec. 20. Minnesota Statutes 2022, section 469.40, subdivision 11, is amended to read:

Subd. 11. **Public infrastructure project.** (a) "Public infrastructure project" means a project financed in part or in whole with public money in order to support the medical business entity's development plans, as identified in the DMCC development plan. A public infrastructure project may:

(1) acquire real property and other assets associated with the real property;

(2) demolish, repair, or rehabilitate buildings;

(3) remediate land and buildings as required to prepare the property for acquisition or development;

(4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, streets, roadways, utilities systems and related facilities, utility relocations and replacements, network and communication systems, streetscape improvements, drainage systems, sewer and water systems, subgrade structures and associated improvements, landscaping, facade construction and restoration, construction costs permitted in section 469.47, subdivision 1, paragraph (d), clauses (1), (2), and (4), wayfinding and signage, community engagement, and other components of community infrastructure;

(5) acquire, construct or reconstruct, and equip parking facilities and other facilities to encourage intermodal transportation and public transit;

(6) install, construct or reconstruct, furnish, and equip parks, cultural, and recreational facilities, facilities to promote tourism and hospitality, conferencing and conventions, and broadcast and related multimedia infrastructure;

(7) make related site improvements including, without limitation, excavation, earth retention, soil stabilization and correction, and site improvements to support the destination medical center development district;

(8) prepare land for private development and to sell or lease land;

(9) provide costs of relocation benefits to occupants of acquired properties; and

(10) construct and equip all or a portion of one or more suitable structures on land owned by the city for sale or lease to private development; provided, however, that the portion of any structure directly financed by the city as a public infrastructure project must not be sold or leased to a medical business entity.

(b) A public infrastructure project is not a business subsidy under section 116J.993.

(c) Public infrastructure project includes the planning, preparation, and modification of the development plan under section 469.43. The cost of that planning, preparation, and any modification is a capital cost of the public infrastructure project.

Sec. 21. Minnesota Statutes 2022, section 469.47, subdivision 1, is amended to read:

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

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

(c) "Construction projects" means:

(1) for expenditures by a medical business entity, construction of buildings in the city for which the building permit was issued after June 30, 2013; and

(2) for any other expenditures, construction of privately owned buildings and other improvements that are undertaken pursuant to or as part of the development plan and are located within a medical center development district.

(d) "Expenditures" means expenditures made by a medical business entity or by an individual or private entity on construction projects for the capital cost of the project including, but not limited to:

(1) design and predesign, including architectural, engineering, and similar services;

(2) legal, regulatory, and other compliance costs of the project;

(3) land acquisition, demolition of existing improvements, and other site preparation costs;

(4) construction costs, including all materials and supplies of the project; and

(5) equipment and furnishings that are attached to or become part of the real property.

Expenditures excludes supplies and other items with a useful life of less than a year that are not used or consumed in constructing improvements to real property or are otherwise chargeable to capital costs.

(e) "Qualified expenditures for the year" means the total certified expenditures since June 30, 2013, through the end of the preceding year, minus \$200,000,000.

(f) "Transit costs" means the portions of a public infrastructure project that are for public transit intended primarily to serve the district, ~~such as including but not limited to buses and other means of transit, transit stations, equipment, rights-of-way, and similar costs, and costs permitted under section 469.40, subdivision 11.~~ This paragraph includes transit costs incurred on or after March 16, 2020.

Sec. 22. Minnesota Statutes 2022, section 469.47, subdivision 5, is amended to read:

Subd. 5. **State transit aid.** (a) The city qualifies for state transit aid under this section if the county contributes the required local matching contribution under subdivision 6 or the city or county has agreed to make an equivalent contribution out of other funds for the year.

(b) If the city qualifies for aid under paragraph (a), the commissioner must pay the city the state transit aid in the amount calculated under this paragraph. The amount of the state transit aid for a year equals the qualified expenditures for the year, as certified by the commissioner, multiplied by 0.75 percent, ~~reduced by~~ subject to the amount of the required local contribution under subdivision 6. City or county contributions that are in excess of this ratio carry forward and are credited toward subsequent years. The maximum amount of state transit aid payable in any year is limited to no more than \$7,500,000. If the commissioner determines that the city or county has not made the full required matching local contribution for the year, the commissioner must pay state transit aid only ~~in proportion to the amount of~~ for the matching contribution made for the year and any unpaid amount is a carryover aid. The carryover aid must be paid in the first year after the required matching contribution ~~for that prior year~~ is made and in which the aid entitlement for the current year is less than the maximum annual limit, but only to the extent the carryover, when added to the current year aid, is less than the maximum annual limit.

(c) The commissioner, in consultation with the commissioner of management and budget, and representatives of the city and the corporation, must establish a total limit on the amount of state aid payable under this subdivision that will be adequate to finance, in combination with the local contribution, \$116,000,000 of transit costs.

(d) The city must use state transit aid it receives under this subdivision for transit costs. The city must maintain appropriate records to document the use of the funds under this requirement.

Sec. 23. Minnesota Statutes 2022, section 469.47, subdivision 6, is amended to read:

Subd. 6. **Transit aid; local matching contribution.** (a) The required local matching contribution for state transit aid equals the lesser of:

(1) 40 percent of the state transit aid subject to the \$7,500,000 limit under subdivision 5; or

(2) the amount that would be raised by a 0.15 percent sales tax imposed by the county in the preceding year.

The county may impose the sales tax or the wheelage tax under section 469.46 to meet this obligation.

(b) If the county elects not to impose any of the taxes authorized under section 469.46, the county, or city, or both, may agree to make the local contribution out of other available funds, other than state aid payable under this section. The commissioner of revenue must estimate the required amount and certify it to the commissioner, city, and county.

Sec. 24. **MINNESOTA EMPLOYER REASONABLE ACCOMMODATION FUND.**

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

(b) "Applicant" means any person, whether employed or unemployed, seeking or entering into any arrangement for employment or change of employment with an eligible employer.

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

(d) "Eligible employer" means an employer domiciled within the legal boundaries of Minnesota and having its principal place of business as identified in its certificate of incorporation in the state of Minnesota who:

(1) employs not more than 500 employees on any business day during the preceding calendar year; and

(2) generates \$5,000,000 or less in gross annual revenue.

(e) "Employee" has the meaning given in Minnesota Statutes, section 363A.03, subdivision 15.

(f) "Individual with a disability" has the meaning given to "qualified disabled person" in Minnesota Statutes, section 363A.03, subdivision 36.

(g) "Reasonable accommodation" has the meaning given in Minnesota Statutes, section 363A.08, subdivision 6.

Subd. 2. **Reimbursement grant program established.** The commissioner shall establish a reasonable accommodation reimbursement grant program that reimburses eligible employers for the cost of expenses incurred in providing reasonable accommodations for individuals with a disability who are either applicants or employees of the eligible employer.

Subd. 3. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for reimbursement under this section.

(b) The program shall award reimbursements to eligible employers to the extent that funds are available in the account established under subdivision 5 for this purpose.

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

(d) Documentation for reimbursement shall be provided by eligible employers in a form approved by the commissioner.

Subd. 4. **Reimbursement awards.** The maximum total reimbursement per eligible employer in a fiscal year is \$30,000 and:

(1) submissions for onetime reasonable accommodation expenses must be no less than \$250 and no more than \$15,000 per individual with a disability; and

(2) submissions for ongoing reasonable accommodation expenses have no minimum or maximum requirements.

Subd. 5. **Employer reasonable accommodation fund account established.** The employer reasonable accommodation fund account is created as an account in the special revenue fund. Money in the account is appropriated to the commissioner for the purposes of reimbursing eligible employers under this section.

Subd. 6. **Technical assistance and consultation.** The commissioner may provide technical assistance regarding requests for reasonable accommodations.

Subd. 7. **Administration and marketing costs.** The commissioner may use up to 20 percent of the biennial appropriation for administration and marketing of this section.

Subd. 8. **Notification.** By September 1, 2023, or within 60 days following final enactment, whichever is later, and each year thereafter by June 30, the commissioner shall make publicly available information regarding the availability of funds for reasonable accommodation reimbursement and the procedure for requesting reimbursement under this section.

Subd. 9. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter until expiration, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and the senate committees with jurisdiction over workforce development that details the use of grant funds. This report must include data on the number of employer reimbursements the program made in the preceding calendar year. The report must include:

- (1) the number and type of accommodations requested;
- (2) the cost of accommodations requested;
- (3) the employers from which the requests were made;
- (4) the number and type of accommodations that were denied and why;
- (5) any remaining balance left in the account; and
- (6) if the account was depleted, the date on which funds were exhausted and the number, type, and cost of accommodations that were not reimbursed to employers.

Subd. 10. **Expiration.** This section expires June 30, 2025, or when money appropriated for its purpose expires, whichever is later.

ARTICLE 5

MISCELLANEOUS POLICY

Section 1. **[116J.545] GETTING TO WORK GRANT PROGRAM.**

Subdivision 1. **Creation.** The commissioner of employment and economic development shall make grants to nonprofit organizations to establish and operate programs under this section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain or maintain employment. All grants shall be for two years.

Subd. 2. **Qualified grantee.** A grantee must:

(1) qualify under section 501(c)(3) of the Internal Revenue Code; and

(2) at the time of application, offer or have the demonstrated capacity to offer a motor vehicle program that provides the services required under subdivision 3.

Subd. 3. **Program requirements.** (a) A program must offer one or more of the following services:

(1) provision of new or used motor vehicles by gift, sale, or lease;

(2) motor vehicle repair and maintenance services; or

(3) motor vehicle loans.

(b) In addition to the requirements of paragraph (a), a program must offer one or more of the following services:

(1) financial literacy education;

(2) education on budgeting for vehicle ownership;

(3) car maintenance and repair instruction;

(4) credit counseling; or

(5) job training related to motor vehicle maintenance and repair.

Subd. 4. **Application.** Applications for a grant must be on a form provided by the commissioner and on a schedule set by the commissioner. Applications must, in addition to any other information required by the commissioner, include the following:

(1) a detailed description of all services to be offered;

(2) the area to be served;

(3) the estimated number of program participants to be served by the grant; and

(4) a plan for leveraging resources from partners that may include but are not limited to:

(i) automobile dealers;

(ii) automobile parts dealers;

(iii) independent local mechanics and automobile repair facilities;

(iv) banks and credit unions;

(v) employers;

(vi) employment and training agencies;

(vii) insurance companies and agents;

(viii) local workforce centers; and

(ix) educational institutions, including vocational institutions and jobs or skills training programs.

Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person must:

(1) have a household income at or below 200 percent of the federal poverty level;

(2) be at least 18 years of age;

(3) have a valid driver's license;

(4) provide the grantee with proof of motor vehicle insurance; and

(5) demonstrate to the grantee that a motor vehicle is required by the person to obtain or maintain employment.

(b) This subdivision does not preclude a grantee from imposing additional requirements, not inconsistent with paragraph (a), for the receipt of program services.

Subd. 6. **Report to legislature.** By February 15, 2025, and each January 15 in an odd-numbered year thereafter, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over workforce and economic development on program outcomes. At a minimum, the report must include:

(1) the total number of program participants;

(2) the number of program participants who received each of the following:

(i) provision of a motor vehicle;

(ii) motor vehicle repair services; and

(iii) motor vehicle loans;

(3) the number of program participants who report that they or their children were able to increase their participation in community activities such as after school programs, other youth programs, church or civic groups, or library services as a result of participation in the program; and

(4) an analysis of the impact of the getting to work grant program on the employment rate and wages of program participants.

Sec. 2. Minnesota Statutes 2022, section 116J.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means a county, municipality, or tribal government located in Minnesota in which an electric generating plant owned by a public utility, as defined in section 216B.02, that is powered by coal, nuclear energy, or natural gas:

(1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation of operations has been proposed in an integrated resource plan filed with the commission under section

216B.2422, or (iii) whose current operating license expires within 15 years of the effective date of this section; or

(2) ceased operations or was removed from the local property tax base no earlier than five years before the date an application is made for a grant under this section.

Sec. 3. Minnesota Statutes 2022, section 116J.55, subdivision 5, is amended to read:

Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under this section to eligible communities through a competitive grant process.~~

~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed \$500,000 \$1,000,000 in any calendar year. The commissioner may accept grant applications on an ongoing or rolling basis.

~~(c)~~ (b) Grants funded with revenues from the renewable development account established in section 116C.779 must be awarded to an eligible community located within the retail electric service territory of the public utility that is subject to section 116C.779 or to an eligible community in which an electric generating plant owned by that public utility is located.

Sec. 4. Minnesota Statutes 2022, section 116J.55, subdivision 6, is amended to read:

Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3 must be used only to:

(1) award grants to eligible communities under this section; and

(2) reimburse the department's reasonable costs to administer this section, up to a maximum of five percent of the appropriation made to the commissioner under this section. The commissioner may transfer part of the allowable administrative portion of this appropriation to the Environmental Quality Board to assist communities with regulatory coordination and dedicated technical assistance on conversion for these communities.

(b) An eligible community awarded a grant under this section may use the grant to plan for or address the economic and social impacts on the eligible community of the electric generating plant's cessation of operations, including but not limited to land use studies, economic planning, researching, planning, and implementing activities, capital costs of public infrastructure necessary for economic development, and impact studies and other planning activities enabling communities to become shovel-ready and support the transition from power plants to other economic activities to minimize the negative impacts of power plant closures on tax revenues and jobs designed to:

(1) assist workers at the plant find new employment, including worker retraining and developing small business start-up skills;

(2) increase the eligible community's property tax base; and

(3) develop alternative economic development strategies to attract new employers to the eligible community.

Sec. 5. [116J.9926] EMERGING DEVELOPER FUND PROGRAM.

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

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

(c) "Eligible project" means a project that is based in Minnesota and meets one or more of the following criteria:

(1) it will stimulate community stabilization or revitalization;

(2) it will be located within a census tract identified as a disadvantaged community or low-income community;

(3) it will directly benefit residents of a low-income household;

(4) it will increase the supply and improve the condition of affordable housing and homeownership;

(5) it will support the growth needs of new and existing community-based enterprises that promote economic stability or improve the supply or quality of job opportunities; or

(6) it will promote wealth creation, including by being a project in a neighborhood traditionally not served by real estate developers.

(d) "Emerging developer" means a developer who:

(1) has limited access to loans from traditional financial institutions; or

(2) is a new or smaller developer who has engaged in educational training in real estate development; and

(3) is either a:

(i) minority as defined by section 116M.14, subdivision 6;

(ii) woman;

(iii) person with a disability, as defined under section 116M.14, subdivision 9; or

(iv) low-income person.

(e) "Low-income person" means a person who:

(i) has a household income at or below 200 percent of the federal poverty guidelines; or

(ii) has a family income that does not exceed 60 percent of the area median income as determined by the United States Department of Housing and Urban Development.

(f) "Program" means the emerging developer fund program created under this section.

Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund program to make loans to emerging developers for eligible projects to transform neighborhoods statewide and promote economic development and the creation and retention of jobs in Minnesota. The program shall also reduce racial and socioeconomic disparities by growing the financial capacity of emerging developers.

Subd. 3. **Loan program.** (a) Through the program, the commissioner shall offer emerging developers predevelopment, construction, and bridge loans for eligible projects.

(b) Predevelopment loans shall be for no more than \$50,000. All other types of loans shall be for no more than \$500,000.

(c) Loans shall be for a term set by the commissioner of no less than six months and no more than five years, depending on the use of loan proceeds.

(d) Loans shall be for zero interest or a low interest rate, as determined by the commissioner based on the individual project risk and type of loan sought.

(e) Loans shall have flexible collateral requirements, but may require a personal guaranty from the emerging developer and may be largely unsecured when the appraised value of the real estate is low.

(f) Loans shall have no prepayment penalties and are expected to be repaid from permanent financing or a conventional loan, once that is secured.

(g) Loans shall have the ability to bridge many types of receivables, such as tax credits, grants, developer fees, and other forms of long-term financing.

(h) At the commissioner's discretion, an emerging developer may be required to work with an experienced developer or professional services consultant who can offer expertise and advice throughout the development of the project.

(i) All loan repayments shall be paid into the emerging developer fund account created in this section to fund additional loans.

Subd. 4. **Eligible expenses.** (a) The following shall be eligible expenses for a predevelopment loan under the program:

- (1) earnest money or purchase deposit;
- (2) building inspection fees and environmental reviews;
- (3) appraisal and surveying;
- (4) design and tax credit application fees;
- (5) title and recording fees;
- (6) site preparation, demolition, and stabilization;

(7) interim maintenance and project overhead;

(8) property taxes and insurance;

(9) construction bonds or letters of credit;

(10) market and feasibility studies; and

(11) professional fees.

(b) The following shall be eligible expenses for a construction or bridge loan under the program:

(1) land or building acquisition;

(2) construction-related expenses;

(3) developer and contractor fees;

(4) site preparation and demolition;

(5) financing fees, including title and recording;

(6) professional fees;

(7) carrying costs;

(8) construction period interest;

(9) project reserves; and

(10) leasehold improvements and equipment purchase.

Subd. 5. **Emerging developer fund account.** An emerging developer fund account is created in the special revenue fund in the state treasury. Money in the account is appropriated to the commissioner for loans under this section.

Subd. 6. **Reports to the legislature.** By February 15 of each year, beginning in 2025, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over economic development on loans made under the program.

Sec. 6. Laws 2021, First Special Session chapter 10, article 2, section 24, is amended to read:

Sec. 24. **FORGIVABLE LOAN PROGRAM FOR REMOTE RECREATIONAL BUSINESSES.**

Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program to make forgivable loans to eligible remote recreational businesses that experienced a loss in revenue that is greater than 30 percent during the period between March 15, ~~2020~~ 2021, and March 15, ~~2021~~ 2022, as compared with ~~the previous year~~ March 15, 2019, and March 15, 2020.

Subd. 2. **Definition.** For the purposes of this section, "remote recreational business" means a business in the contiguous United States that is:

(1) a small business concern as defined under section 3 of the Small Business Act, United States Code, title 15, section 632, operating in the recreational industry;

(2) located within 75 miles of the United States and Canadian border; and

(3) only accessible by land via Canada.

Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business must:

(1) have been in operation on March 15, ~~2020~~ 2021;

(2) show that the closure and ongoing COVID-19-related requirements of the United States and Canadian border restricted the ability of American customers to access the location of the remote recreational business; and

(3) not have received a grant under the Main Street COVID-19 relief grant program.

Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures for soliciting and reviewing applications for loans under this section.

(b) Loans shall be made before ~~April 1, 2022~~ December 30, 2023. Any funds not spent by ~~April 1~~ December 30, 2022 2024, must be returned to the state general fund.

(c) If there are insufficient funds to pay all claims in full, the county shall distribute funds on a prorated basis.

Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75 percent of the remote recreational business's gross annual receipts for fiscal year ~~2020~~ 2021, not to exceed \$500,000 per eligible remote recreational business.

Subd. 6. **Forgiveness.** Loans are forgiven for a remote recreational business if the business remains in operation for at least one year after the date of the loan. Lake of the Woods County shall forgive 100 percent of the value of a loan received less the amount the borrower received from:

(1) any other loan forgiveness program, including any program established under the CARES Act, Public Law 116-136; and

(2) an advance received under section 1110 of the CARES Act, United States Code, title 15, section 9009.

Subd. 7. **Report to legislature.** By ~~January 15, 2023~~ April 30, 2024, Lake of the Woods County shall report to the legislative committees with jurisdiction over economic development policy and finance on the loans provided to remote recreational businesses under this section.

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

Sec. 7. **CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

Subdivision 1. **Relief program established.** The Northland Foundation must develop and implement a Canadian border counties economic relief program to assist businesses adversely affected by the 2021 closure of the Boundary Waters Canoe Area Wilderness or the closures of the Canadian border since 2020.

Subd. 2. **Available relief.** (a) The economic relief program established under this section may include grants provided in this section to the extent that funds are available. Before awarding a grant to the Northland Foundation for the relief program under this section:

(1) the Northland Foundation must develop criteria, procedures, and requirements for:

(i) determining eligibility for assistance;

(ii) evaluating applications for assistance;

(iii) awarding assistance; and

(iv) administering the grant program authorized under this section;

(2) the Northland Foundation must submit its criteria, procedures, and requirements developed under clause (1) to the commissioner of employment and economic development for review; and

(3) the commissioner must approve the criteria, procedures, and requirements submitted under clause (2).

(b) The maximum grant to a business under this section is \$50,000 per business.

Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a business must:

(1) be located within a county that shares a border with Canada;

(2) document a reduction of at least ten percent in gross receipts in 2021 compared to 2019; and

(3) provide a written explanation for how the 2021 closure of the Boundary Waters Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the reduction in gross receipts documented under clause (2).

Subd. 4. **Monitoring.** (a) The Northland Foundation must establish performance measures, including but not limited to the following components:

(1) the number of grants awarded and award amounts for each grant;

(2) the number of jobs created or retained as a result of the assistance, including information on the wages and benefit levels, the status of the jobs as full time or part time, and the status of the jobs as temporary or permanent;

(3) the amount of business activity and changes in gross revenues of the grant recipient as a result of the assistance; and

(4) the new tax revenue generated as a result of the assistance.

(b) The commissioner of employment and economic development must monitor the Northland Foundation's compliance with this section and the performance measures developed under paragraph (a).

(c) The Northland Foundation must comply with all requests made by the commissioner under this section.

Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance under this section must provide for job creation and retention goals, and wage and benefit goals.

Subd. 6. **Administrative costs.** The commissioner of employment and economic development may use up to one percent of the appropriation made for this section for administrative expenses of the department.

EFFECTIVE DATE. This section is effective July 1, 2023, and expires June 30, 2024."

Delete the title and insert:

"A bill for an act relating to economic development; establishing a budget for the Department of Employment and Economic Development; modifying various economic development, Explore Minnesota, and workforce development provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 116J.5492, subdivisions 8, 10; 116J.55, subdivisions 1, 5, 6; 116J.8748, subdivisions 3, 4, 6, by adding a subdivision; 116L.361, subdivision 7; 116L.362, subdivision 1; 116L.364, subdivision 3; 116L.56, subdivision 2; 116L.561, subdivision 5; 116L.562, subdivision 2; 116U.05; 116U.10; 116U.15; 116U.20; 116U.30; 116U.35; 469.40, subdivision 11; 469.47, subdivisions 1, 5, 6; Laws 2021, First Special Session chapter 10, article 2, section 24; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 116U."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Nelson amendment to S.F. No. 3035.

There were yeas 4 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Draheim, Housley, Pratt, and Nelson.

Those who voted in the negative were:

Senators Champion, Gustafson, Hawj, Mohamed, and Putnam.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Draheim amendment to S.F. No. 3035.

There were yeas 4 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Draheim, Housley, Pratt, and Nelson.

Those who voted in the negative were:

Senators Champion, Gustafson, Hawj, Mohamed, and Putnam.

The amendment was not adopted.

Senator Dziejic from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 2307: A bill for an act relating to public safety; appropriating money for the disaster assistance contingency account.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 2307 and that the report from the Committee on Judiciary and Public Safety, shown in the Journal for April 3, 2023, be adopted; that committee recommendation being:

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

Senator Carlson from the Committee on Elections, to which was referred

S.F. No. 1636: A bill for an act relating to elections; appropriating money to the secretary of state; amending Minnesota Statutes 2022, section 5.30, subdivision 2.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ELECTIONS 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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

APPROPRIATIONS

Available for the Year

Ending June 30

2024

2025

Sec. 2. **LEGISLATURE**

\$ 244,000 \$ 245,000

These amounts are for the Legislative Coordinating Commission to support the Ranked Choice Voting and Voter Engagement Advisory Task Force established under article 2, section 50. This is a onetime appropriation.

Sec. 3. **SECRETARY OF STATE**

\$ 1,908,000 \$ 549,000

The base for this appropriation is \$538,000 in fiscal year 2026 and each fiscal year thereafter.

\$800,000 the first year is for the secretary of state to make grants to counties and municipalities to improve access to polling places for individuals with disabilities and to provide the same opportunity for access and participation in the electoral process, including privacy and independence, to voters with disabilities as that which exists for voters with no disabilities. Funds may be used to purchase equipment or to make capital improvements to publicly owned facilities. This is a onetime appropriation and is available until June 30, 2027.

\$200,000 the first year is to develop and implement an educational campaign relating to the restoration of the right to vote to formerly incarcerated individuals, including voter education materials and outreach to affected individuals.

\$210,000 the first year is for ranked choice voting education grants under article 2, section 49. This is a onetime appropriation and is available until June 30, 2026. The secretary of state may use up to \$10,000 of this appropriation for administrative costs.

Sec. 4. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

\$ 1,743,000 \$ 1,731,000

Sec. 5. **CORRECTIONS**

\$ 165,000 \$ 33,000

For changes to the report required under Minnesota Statutes, section 201.145, subdivision 3.

Sec. 6. **APPROPRIATION; SECRETARY OF STATE; HELP AMERICA VOTE ACT STATE MATCHING FUNDS.**

\$461,000 in fiscal year 2023 is transferred from the general fund to the Help America Vote Act (HAVA) account established in Minnesota Statutes, section 5.30, and is credited to the state match requirement of the Consolidated Appropriations Act of 2022, Public Law 117-103, and the Consolidated Appropriations Act of 2023, Public Law 117-328. This is a onetime appropriation.

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

Sec. 7. **APPROPRIATION; SECRETARY OF STATE; COURT ORDERED ATTORNEY FEES.**

\$495,000 in fiscal year 2023 is appropriated from the general fund to the secretary of state for the payment of attorney fees and costs awarded by court order in the legislative and congressional redistricting cases Peter Wattson, et al.; Paul Anderson, et al.; and Frank Sachs, et al. v. Steve Simon, Secretary of State of Minnesota, Nos. A21-0243 and A21-0546, and interest thereon. This is a onetime appropriation.

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

Sec. 8. **TRANSFER; STATE ELECTIONS CAMPAIGN ACCOUNT.**

\$3,689,000 in fiscal year 2025 is transferred from the general fund to the general account of the state elections campaign account established in Minnesota Statutes, section 10A.31. This is a onetime transfer.

Sec. 9. Minnesota Statutes 2022, section 5.30, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** ~~Notwithstanding section 4.07, Money in the Help America Vote Act account may be spent only pursuant to direct appropriations enacted from time to time by law. Money in the account must be spent~~ is appropriated to the secretary of state to improve the administration of elections in accordance with the Help America Vote Act, the state plan certified by the governor under the act, and for reporting and administrative requirements under the act and plan. To the extent required by federal law, money in the account must be used in a manner that is consistent with the maintenance of effort requirements of section 254(a)(7) of the Help America Vote Act, Public Law 107-252, based on the level of state expenditures for the fiscal year ending June 30, 2000.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any balances in the Help America Vote Act account existing on or after that date.

Sec. 10. Minnesota Statutes 2022, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), ~~\$1,020,000~~ \$4,932,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign account.

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

ARTICLE 2

ELECTIONS POLICY

Section 1. Minnesota Statutes 2022, section 8.31, subdivision 1, is amended to read:

Subdivision 1. **Investigate offenses against provisions of certain designated sections; assist in enforcement.** The attorney general shall investigate violations and assist in the enforcement of the following laws as provided in this section:

(1) the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, and specifically, but not exclusively, the Nonprofit Corporation Act (sections 317A.001 to 317A.909), the Act Against Unfair Discrimination and Competition (sections 325D.01 to 325D.07), the Unlawful Trade Practices Act (sections 325D.09 to 325D.16), the Antitrust Act (sections 325D.49 to 325D.66), section 325F.67 and other laws against false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67, the act against monopolization of food products (section 325D.68), the act regulating telephone advertising services (section 325E.39), the Prevention of Consumer Fraud Act (sections 325F.68 to 325F.70), and chapter 53A regulating currency exchanges ~~and assist in the enforcement of those laws as in this section provided;~~ and

(2) section 211B.076, regulating intimidation and interference related to the performance of duties by an election official.

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

Sec. 2. Minnesota Statutes 2022, section 10A.01, subdivision 21, is amended to read:

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year:

(i) for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials; or

(ii) from a business whose primary source of revenue is derived from facilitating government relations or government affairs services between two third parties; or

(2) who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

(1) a public official;

(2) an employee of the state, including an employee of any of the public higher education systems;

(3) an elected local official;

(4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of ~~metropolitan governmental units~~ political subdivisions;

(5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;

(8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony; or

(9) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

(c) An individual who volunteers personal time to work without pay or other consideration on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause (2), need not register as a lobbyist.

(d) An individual who provides administrative support to a lobbyist and whose salary and administrative expenses attributable to lobbying activities are reported as lobbying expenses by the lobbyist, but who does not communicate or urge others to communicate with public or local officials, need not register as a lobbyist.

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

Sec. 3. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 26b. Official action of political subdivisions. "Official action of political subdivisions" means any action that requires a vote or approval by one or more elected local officials while acting in their official capacity; or an action by an appointed or employed local official to make, to recommend, or to vote on, as a member of the governing body, major decisions regarding the expenditure or investment of public money.

Sec. 4. Minnesota Statutes 2022, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

(b) A lobbyist must report the specific subjects of interest for an entity represented by the lobbyist on each report submitted under this section. A lobbyist must describe a specific subject of interest in the report with enough information to show the particular issue of importance to the entity represented.

~~(b) (c) A lobbyist must report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses. every state agency that had administrative action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each administrative action and the revisor of statutes rule draft number assigned to the administrative rulemaking.~~

(d) A lobbyist must report every political subdivision that considered official action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each action.

(e) A lobbyist must report general lobbying categories and up to four specific subjects of interest related to each general lobbying category on which the lobbyist attempted to influence legislative action during the reporting period. If the lobbyist attempted to influence legislative action on more than four specific subjects of interest for a general lobbying category, the lobbyist, in consultation

with the represented entity, must determine which four specific subjects of interest were the entity's highest priorities during the reporting period and report only those four subjects.

(f) A lobbyist must report the Public Utilities Commission project name for each rate setting, power plant and powerline siting, or granting of certification of need before the Public Utilities Commission that the represented entity sought to influence during the reporting period.

~~(e)~~ (g) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

~~(d)~~ (h) A lobbyist must report each original source of money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of \$500.

~~(e)~~ (i) ~~On the each report due June 15, the~~ lobbyist must provide a ~~disclose the general description of the subjects~~ lobbying categories that were lobbied on ~~in the previous 12 months reporting period.~~

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

Sec. 5. Minnesota Statutes 2022, section 10A.04, subdivision 6, is amended to read:

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

~~(b) Except as provided in paragraph (d),~~ The principal must report the total amount, ~~rounded to the nearest \$20,000,~~ spent by the principal during the preceding calendar year ~~to influence legislative action, administrative action, and the official action of metropolitan governmental units.~~ on each type of lobbying listed below:

(1) lobbying to influence legislative action;

(2) lobbying to influence administrative action, other than lobbying described in clause (3);

(3) lobbying to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243; and

(4) lobbying to influence official action of political subdivisions.

~~(c) Except as provided in paragraph (d),~~ For each type of lobbying listed in paragraph (b), the principal must report under this subdivision a total amount that includes:

(1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state for that type of lobbying;

(2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information, social media and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units, and legal counsel used to support that type of lobbying in this state; and

(3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units for that type of lobbying in this state.

~~(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).~~

(d) The principal must report disbursements made and obligations incurred that exceed \$2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. The report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subjects of interest addressed by the advertisement.

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

Sec. 6. Minnesota Statutes 2022, section 10A.05, is amended to read:

10A.05 LOBBYIST REPORT.

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board must publish the names of the lobbyists registered who were not previously reported, the names of the individuals, associations, political subdivisions, or public higher education systems whom they represent as lobbyists, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative action, administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision.

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

Sec. 7. Minnesota Statutes 2022, section 10A.06, is amended to read:

10A.06 CONTINGENT FEES PROHIBITED.

No person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislative or administrative action, or of the official action of a ~~metropolitan governmental unit~~ political subdivision. A person who violates this section is guilty of a gross misdemeanor.

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

Sec. 8. Minnesota Statutes 2022, section 10A.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, or a local official ~~of a metropolitan governmental unit.~~

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

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

Sec. 9. Minnesota Statutes 2022, section 201.022, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The secretary of state shall maintain a statewide voter registration system to facilitate voter registration and to provide a central database containing voter registration information from around the state. The system must be accessible to the county auditor of each county in the state. The system must also:

(1) provide for voters to submit their voter registration applications to any county auditor, the secretary of state, or the Department of Public Safety;

(2) provide for the definition, establishment, and maintenance of a central database for all voter registration information;

(3) provide for entering data into the statewide registration system;

(4) provide for electronic transfer of completed voter registration applications from the Department of Public Safety to the secretary of state or the county auditor;

(5) assign a unique identifier to each legally registered voter in the state;

(6) provide for the acceptance of the Minnesota driver's license number, Minnesota state identification number, and last four digits of the Social Security number for each voter record;

(7) coordinate with other agency databases within the state;

(8) allow county auditors and the secretary of state to add or modify information in the system to provide for accurate and up-to-date records;

(9) allow county auditors, municipal and school district clerks, and the secretary of state to have electronic access to the statewide registration system for review and search capabilities;

(10) provide security and protection of all information in the statewide registration system and ensure that unauthorized access is not allowed;

(11) provide access to municipal clerks to use the system;

(12) provide a system for each county to identify the precinct to which a voter should be assigned for voting purposes;

(13) provide daily reports accessible by county auditors on the driver's license numbers, state identification numbers, or last four digits of the Social Security numbers submitted on voter registration applications that have been verified as accurate by the secretary of state; ~~and~~

(14) provide reports on the number of absentee ballots transmitted to and returned and cast by voters under section 203B.16; and

(15) provide reports necessary for early voting.

The appropriate state or local official shall provide security measures to prevent unauthorized access to the computerized list established under section 201.021.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 10. Minnesota Statutes 2022, section 201.071, subdivision 1, as amended by Laws 2023, chapter 12, section 2, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have ~~resided~~ maintained residence in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship in which the court order revokes my right to vote;
- (6) have not been found by a court to be legally incompetent to vote;

(7) am not currently incarcerated for a conviction of a felony offense; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

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

Sec. 11. Minnesota Statutes 2022, section 201.091, subdivision 4a, is amended to read:

Subd. 4a. **Presidential primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party each voter selected. Information maintained on the list is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide ~~the list~~ to the chair of each major political party the list of voters who selected that party.

Sec. 12. Minnesota Statutes 2022, section 201.145, subdivision 3, is amended to read:

Subd. 3. **Commissioner of corrections report; state court administrator report.** (a) ~~The state court administrator must report on individuals 17 years of age or older who have been convicted of a felony.~~

(b) The commissioner of corrections must report on individuals ~~17~~ 16 years of age or older who are currently:

(1) ~~serv~~ ing incarcerated for felony sentences under the commissioner's jurisdiction; ~~or~~

(2) ~~on probation for felony offenses that resulted in the loss of civil rights, as indicated by the statewide supervision system established under section 241.065.~~

(e) (b) Each report under this subdivision must include the following information for each individual: name, address or last known residential address that is not a correctional facility, and

date of birth. If available, each report must also include the individual's: corrections' state identification number, last four digits of the Social Security number, driver's license or state identification card number, ~~date of sentence, effective date of the sentence, county in which the conviction occurred, and date of discharge~~ and most recent date of incarceration.

~~(d)~~ (c) No later than seven calendar days after receiving a report under this subdivision, the secretary of state must determine ~~if a person identified under paragraph (a) is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar days after receiving a report under this subdivision, the secretary of state must determine~~ if any data newly indicates that a person identified under paragraph ~~(b)~~ (a) is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar days after receiving the list from the secretary of state, the county auditor must challenge the status on the record in the statewide voter registration system of each individual named in the list.

~~(e)~~ (d) The county auditor must identify an individual who ~~registered to vote or voted while serving incarcerated for a felony sentence under the commissioner's jurisdiction or while on probation for a felony offense that resulted in the loss of civil rights during a period when the individual's civil rights were revoked.~~ The county auditor must immediately send notice to the county attorney. The notice must include the name of the individual and any other identifying information as well as the evidence that shows the individual ~~registered to vote or voted during the period when the individual's civil rights were revoked~~ of incarceration.

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

Sec. 13. Minnesota Statutes 2022, section 201.145, subdivision 4, is amended to read:

Subd. 4. **Reports; restoration of right to vote.** (a) The state court administrator must report on each individual whose guardianship was modified to restore the ward's right to vote or whose guardianship was terminated by order of the court under section 524.5-317 after being ineligible to vote for any of the reasons specified in subdivision 2, paragraph (a).

~~(b) The state court administrator must report on individuals previously convicted of a felony whose civil rights have been restored.~~

~~(e)~~ The commissioner of corrections must report on individuals who were serving incarcerated for a felony sentence under the commissioner's jurisdiction or who were on probation for a felony offense under the commissioner's jurisdiction that resulted in the loss of civil rights but who have been discharged from the sentence and have been released from incarceration.

~~(d)~~ (c) Each report under this subdivision must include the following information for each individual: name, address, date of birth, and, if available, the last four digits of the Social Security number. For ~~reports the report~~ required by ~~paragraphs~~ paragraph (b) and (e), ~~each~~ the report must also include the individual's, if available: corrections' state identification number, driver's license or state identification card number, date of ~~sentence, effective date of the sentence~~ incarceration, county in which the conviction occurred, and date of discharge.

~~(e)~~ (d) No later than seven calendar days after receiving a report under this subdivision, the secretary of state must determine if a person identified under paragraph (a) ~~or (b)~~ is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar

days after receiving a report under this subdivision, the secretary of state must determine if any data newly indicates that a person identified under paragraph ~~(e)~~ (b) is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar days after receiving the list from the secretary of state, the county auditor must remove the challenge status on the record in the statewide voter registration system of each individual named in the list.

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

Sec. 14. Minnesota Statutes 2022, section 203B.001, is amended to read:

203B.001 ELECTION LAW APPLICABILITY.

The Minnesota Election Law is applicable to voting by absentee ballot and early voting unless otherwise provided in this chapter.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 15. Minnesota Statutes 2022, section 203B.01, is amended by adding a subdivision to read:

Subd. 5. **Early voting.** "Early voting" means voting in person before election day as provided in section 203B.30.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 16. Minnesota Statutes 2022, section 203B.03, subdivision 1, is amended to read:

Subdivision 1. **Violation.** (a) No individual shall intentionally:

- (1) make or sign any false certificate required by this chapter;
- (2) make any false or untrue statement in any application for absentee ballots;
- (3) apply for absentee ballots more than once in any election with the intent to cast an illegal ballot;
- (4) exhibit a ballot marked by that individual to any other individual;
- (5) do any act in violation of the provisions of this chapter for the purpose of casting an illegal vote in any precinct or for the purpose of aiding another to cast an illegal vote;
- (6) use information from absentee ballot or early voting materials or records for purposes unrelated to elections, political activities, or law enforcement;
- (7) provide assistance to an absentee or early voter except in the manner provided by section 204C.15, subdivision 1;

(8) solicit the vote of an absentee voter while in the immediate presence of the voter during the time the individual knows the absentee voter is voting; or

(9) alter an absentee ballot application after it has been signed by the voter, except by an election official for administrative purposes.

(b) Before inspecting information from absentee ballot or early voting materials or records, an individual shall provide identification to the public official having custody of the material or information.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 17. Minnesota Statutes 2022, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

- (1) the county auditor of that county has designated the clerk to administer them; or
- (2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121.

A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting. A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any municipal clerk who will be administering the provisions of this section and the duties that the clerk will administer.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 18. Minnesota Statutes 2022, section 203B.081, subdivision 1, is amended to read:

Subdivision 1. **Location; timing for absentee voting.** An eligible voter may vote by absentee ballot in the office of the county auditor and at any other polling place designated by the county auditor during the 46 days before the election, except as provided in this section.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 19. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 1a. **Location; timing for early voting.** An eligible voter may vote using early voting during the 18 days before a federal, state, or county election, and during the 18 days before a municipal election if authorized under section 203B.05, in the office of the county auditor and at any other polling place designated by the county auditor. In elections in which early voting is provided, the alternative voting procedure authorized by subdivision 3 must not be provided.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 20. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) The county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, ~~and~~ address, and, upon request of the election official, the voter's date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by an election judge, the county auditor, municipal clerk, or a deputy of the auditor or clerk.

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

Sec. 21. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) In elections not eligible to use early voting under subdivision 1a, the county auditor may make available a ballot counter and ballot box for use by the voters

during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name; and address; and, upon the request of the election official, the voter's date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by an election judge, the county auditor, municipal clerk, or a deputy of the auditor or clerk.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 22. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 4. **Temporary locations.** A county auditor or municipal clerk authorized under section 203B.05 to administer voting before election day may designate additional polling places with days and hours that differ from those required by section 203B.085.

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

Sec. 23. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 5. **Town elections.** Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before the election.

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

Sec. 24. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 6. **Designation of locations.** The county auditor must make polling place designations at least 14 weeks before the election and must provide the notice to the secretary of state at the time the designations are made.

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

Sec. 25. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 7. Notice to voters. The county auditor must prepare a notice to the voters of the days, times, and locations for voting before election day as authorized by this section. This notice must be posted on the secretary of state's website, the county's website, and the website for each municipality in which a voting location under this section is located at least 14 days before the first day of the absentee voting period. If a county or municipality does not have a website, the county auditor or municipal clerk must publish the notice at least once in the jurisdiction's official newspaper at least seven days and not more than 14 days before the first day of the absentee voting period.

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

Sec. 26. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 8. Equipment. The county auditor must provide each polling place with at least one voting booth; a ballot box; an electronic ballot counter, unless it has not adopted use of one; and at least one electronic ballot marker for individuals with disabilities pursuant to section 206.57, subdivision 5.

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

Sec. 27. Minnesota Statutes 2022, section 203B.085, is amended to read:

203B.085 COUNTY AUDITOR'S AND MUNICIPAL CLERK'S OFFICES TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.

Subdivision 1. State general elections. Prior to a state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer voting before election day must be open:

- (1) until 7:00 p.m. on the Tuesday before the election;
- (2) from 9:00 a.m. to 3:00 p.m. on the two Saturdays before the election;
- (3) from 9:00 a.m. to 3:00 p.m. on the Sunday immediately before the election; and
- (4) until 5:00 p.m. on the day before the election.

A polling place designated under section 203B.081, subdivision 4, may be open alternate days and hours.

Subd. 2. Other elections. In elections other than the state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer ~~absentee balloting~~ voting before election day must be open for ~~acceptance of absentee ballot applications and casting of absentee ballots~~ voting as authorized under section 203B.081 from ~~10:00~~ 9:00 a.m. to 3:00 p.m. on Saturday and until 5:00 p.m. on the day immediately preceding a

primary, special, or general election unless that day falls on a Saturday or Sunday. Town clerks' offices, and county auditors' offices if the county auditor has agreed to perform those duties on behalf of the township, must be open for absentee voting from 10:00 a.m. to 12:00 noon on the Saturday before a town general election held in March. The school district clerk, when performing the county auditor's election duties, need not comply with this section.

Subd. 3. **Voters in line.** All voters in line at a time when a polling place is scheduled to close must be allowed to vote in the same manner as provided in section 204C.05, subdivision 2.

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

Sec. 28. Minnesota Statutes 2022, section 203B.12, subdivision 7, is amended to read:

Subd. 7. **Names of persons; rejected absentee ballots.** ~~(a)~~ The names of voters who have submitted an absentee ballot to the county auditor or municipal clerk that has not been accepted ~~may not be made available for public inspection until the close of voting on election day.~~

~~(b) After the close of voting on election day, the lists must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.~~

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

Sec. 29. Minnesota Statutes 2022, section 203B.12, is amended by adding a subdivision to read:

Subd. 9. **Names of persons; early voting.** The secretary of state must maintain a list of voters who cast a ballot using the early voting procedures established in section 203B.30 for all elections at which those procedures are used. The list must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 30. Minnesota Statutes 2022, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots or to administer early voting must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22. The board may include deputy county auditors or deputy city clerks who have received training in the processing and counting of absentee ballots. Each member of the ballot board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 31. Minnesota Statutes 2022, section 203B.121, subdivision 2, is amended to read:

Subd. 2. Duties of ballot board; absentee ballots. (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the ~~seventh~~ 19th day before the election, ~~by absentee ballot~~ as provided by section 203B.081.

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for

rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the secrecy envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

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

Sec. 32. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted. After the close of business on the ~~seventh~~ 19th day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal ~~or~~ state, or county office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

(1) by the county auditor or municipal clerk before election day;

(2) by the ballot board before election day; or

(3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

EFFECTIVE DATE. The amendment to paragraph (a) is effective June 1, 2023. The amendment to paragraph (b) is effective the day following final enactment.

Sec. 33. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted or that the voter has cast a ballot pursuant to the early voting procedures provided in this chapter. After the close of business on the ~~seventh~~ 19th day before the election, a voter whose record indicates that an absentee ballot has been accepted or that the voter has cast an early ballot must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal ~~or~~ state, or county office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee and early voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

- (1) by the county auditor or municipal clerk before election day;
- (2) by the ballot board before election day; or
- (3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 34. Minnesota Statutes 2022, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the ~~seventh~~ 19th day before the election, the ballots from secrecy envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

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

Sec. 35. **[203B.30] PROCEDURES FOR EARLY VOTING.**

Subdivision 1. **Definition.** For purposes of this section, "early voting official" means the county auditor, city clerk, a deputy of the auditor or clerk, or an election judge.

Subd. 2. **Voting procedure.** (a) When a voter appears in an early voting polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the early voting official. The early voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote or whose name or address has changed must register in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(b) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After the voter signs the certification, two early voting officials must initial the ballot and issue it to the voter. The voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take a ballot from the polling place. If the voter spoils the ballot, the voter may return it to the early voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The early voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

Subd. 3. **Processing of ballots.** Early voting officials must remove and secure ballots cast during the early voting period following the procedures in section 203B.121, subdivision 5, paragraph (a). The absentee ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 36. Minnesota Statutes 2022, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the seventh day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.

(b) The governing body of a statutory or home rule charter city may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may:

(1) require the candidate to file a written request with the chief election official at least 19 days before the city election if the candidate wants to have the candidate's write-in votes individually recorded; or

(2) require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

If the governing body of the statutory or home rule charter city adopts a resolution authorized by this paragraph, the resolution must be adopted before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body of the statutory or home rule charter city.

(c) The governing body of a township, school board, hospital district, park district, soil and water district, or other ancillary elected district may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

~~(b)~~ (d) A candidate for president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for vice president of the United States. A candidate for vice president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as include the name of a candidate for vice president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

~~(e)~~ (e) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

Sec. 37. Minnesota Statutes 2022, section 204B.26, is amended to read:

204B.26 ELECTION JUDGES; VIOLATIONS; PENALTIES.

A county auditor or municipal clerk may remove any precinct election official at any time if the official engages in a neglect of duty, malfeasance, misconduct in office, or for other cause. Any individual who serves as an election judge in violation of any of the provisions of sections 204B.19 to 204B.25, is guilty of a misdemeanor.

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

Sec. 38. Minnesota Statutes 2022, section 204B.28, subdivision 2, is amended to read:

Subd. 2. **Election supplies; duties of county auditors and clerks.** (a) Except as otherwise provided for absentee ballots in this section and in section 204B.35, subdivision 4, the county auditor shall complete the preparation of the election materials for which the auditor is responsible at least four days before every state primary and state general election. At any time after all election materials are available from the county auditor but not later than four days before the election each municipal clerk shall secure from the county auditor:

(a) (1) the forms that are required for the conduct of the election;

(b) (2) any printed voter instruction materials furnished by the secretary of state;

(c) (3) any other instructions for election officers; and

(d) (4) a sufficient quantity of the official ballots, registration files, envelopes for ballot returns, and other supplies and materials required for each precinct in order to comply with the provisions of the Minnesota Election Law. The county auditor may furnish the election supplies to the municipal clerks in the same manner as the supplies are furnished to precincts in unorganized territory pursuant to section 204B.29, subdivision 1.

(b) The county auditor must prepare and make available election materials for early voting to municipal clerks designated to administer early voting under section 203B.05 on or before the 19th day before the election.

EFFECTIVE DATE. This section is effective upon the revisor of statutes's receipt of the certification described in section 48 and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 39. Minnesota Statutes 2022, section 204B.45, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A town of any size ~~not located in a metropolitan county as defined by section 473.121~~, or a city having fewer than 400 registered voters on June 1 of an election year ~~and not located in a metropolitan county as defined by section 473.121~~, may provide balloting by mail at any municipal, county, or state election with no polling place other than the office of the auditor or clerk or other locations designated by the auditor or clerk. The governing body may apply to the county auditor for permission to conduct balloting by mail. The county board may provide for balloting by mail in unorganized territory. The governing body of any municipality may designate for mail balloting any precinct having fewer than 100 registered voters, subject to the approval of the county auditor.

Voted ballots may be returned in person to any location designated by the county auditor or municipal clerk.

Sec. 40. Minnesota Statutes 2022, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure.** Notice of the election and the special mail procedure must be given at least ten weeks prior to the election. Not more than 46 days nor later than 14 days before a regularly scheduled election and not more than 30 days nor later than 14 days before any other election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the city, town, or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "accepted" or "rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are

more than 14 days before election day. The board may consist of deputy county auditors or deputy municipal clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the ~~seventh~~ 19th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter ~~resides~~ maintains residence. Any ballot received by 8:00 p.m. on the day of the election must be counted.

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

Sec. 41. Minnesota Statutes 2022, section 204B.46, is amended to read:

204B.46 MAIL ELECTIONS; QUESTIONS.

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. No offices may be voted on at a mail election-, except in overlapping school and municipality jurisdictions, where a mail election may include an office when one of the jurisdictions also has a question on the ballot. Notice of the election must be given to the county auditor at least 74 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. Not more than 46 nor later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. No later than 14 days before the election, the auditor or clerk must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "Accepted" or "Rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14

days before election day. The board may consist of deputy county auditors, deputy municipal clerks, or deputy school district clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk must provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the ~~seventh~~ 19th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the ballot board, and deposited in the appropriate ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from ballots may be made public before the close of voting on election day.

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

Sec. 42. Minnesota Statutes 2022, section 204B.49, is amended to read:

204B.49 "I VOTED" STICKERS.

The secretary of state, county auditor, municipal clerk, school district clerk, or an election judge may provide a sticker containing the words "I VOTED," and nothing more, to an individual who:

(1) has successfully deposited a ballot into a ballot box, ~~under section 203B.081, subdivision 3, or 204C.13, subdivision 5;~~

(2) is provided an absentee ballot under section 203B.07, subdivision 1, or 203B.21, subdivision 2; or

(3) is provided a ballot by mail under section 204B.45 or 204B.46.

Sec. 43. Minnesota Statutes 2022, section 206.845, subdivision 1, is amended to read:

Subdivision 1. **Prohibited connections.** The county auditor and municipal clerk must secure ballot recording and tabulating systems physically and electronically against unauthorized access. Except for wired connections within the polling place, ballot recording and tabulating systems must not be connected to or operated on, directly or indirectly, any electronic network, including a local area network, a wide-area network, the Internet, or the World Wide Web. Wireless communications

may not be used in any way in a vote recording or vote tabulating system. Wireless, device-to-device capability is not permitted. No connection by modem is permitted.

Transfer of information from the ballot recording or tabulating system to another system for network distribution or broadcast must be made by disk, tape, or other physical means of communication, other than direct or indirect electronic connection of the vote recording or vote tabulating system. A county auditor or municipal clerk may not create or disclose, or permit any other person to create or disclose, an electronic image of the hard drive of any vote recording or tabulating system or any other component of an electronic voting system, except as authorized in writing by the secretary of state or for the purpose of conducting official duties as expressly authorized by law.

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

Sec. 44. Minnesota Statutes 2022, section 211A.02, subdivision 1, is amended to read:

Subdivision 1. **When and where filed by committees.** (a) A committee or a candidate who receives contributions or makes disbursements of more than \$750 in a calendar year shall submit an initial report to the filing officer within 14 days after the candidate or committee receives or makes disbursements of more than \$750 and shall continue to make the reports listed in paragraph (b) until a final report is filed.

(b) The committee or candidate must file a report by January 31 of each year following the year when the initial report was filed and in a year when the candidate's name or a ballot question appears on the ballot, the candidate or committee shall file a report:

(1) ten days before the primary or special primary. In a jurisdiction where the local primary is eliminated due to the adoption of ranked choice voting, candidates running in a ranked choice voting election must file a report in the same manner as if a primary were being held for such offices;

(2) ten days before the general election or special election; and

(3) 30 days after a general or special election.

Sec. 45. **[211B.076] INTIMIDATION AND INTERFERENCE RELATED TO THE PERFORMANCE OF DUTIES BY AN ELECTION OFFICIAL; PENALTIES.**

Subdivision 1. **Definition.** For the purposes of this section, "election official" means a member of a canvassing board, the county auditor or municipal clerk charged with duties relating to elections, a member of an absentee ballot board, an election judge, an election judge trainee, or any other individual assigned by a state entity or municipal government to perform official duties related to elections.

Subd. 2. **Intimidation.** (a) A person may not directly or indirectly use or threaten force, coercion, violence, restraint, damage, harm, or loss, including loss of employment or economic reprisal, against another with the intent to influence an election official in the performance of a duty of election administration.

(b) In a civil action brought to prevent and restrain violations of this subdivision or to require the payment of civil penalties, the plaintiff must demonstrate that the action or attempted action would cause a reasonable person to feel intimidated. The plaintiff does not need to show that the defendant intended to cause the victim to feel intimidated.

Subd. 3. **Interfering with or hindering the administration of an election.** A person may not intentionally hinder, interfere with, or prevent an election official's performance of a duty related to election administration.

Subd. 4. **Dissemination of personal information about an election official.** (a) A person may not knowingly and without consent make publicly available, including but not limited to through the Internet, personal information about an election official or an election official's family or household member if:

(1) the dissemination poses an imminent and serious threat to the official's safety or the safety of an official's family or household member; and

(2) the person making the information publicly available knows or reasonably should know of any imminent and serious threat.

(b) As used in this subdivision, "personal information" means the home address of the election official or a member of an election official's family, directions to that home, or photographs of that home.

Subd. 5. **Obstructing access.** A person may not intentionally and physically obstruct an election official's access to or egress from a polling place, meeting of a canvassing board, place where ballots and elections equipment are located or stored, or any other place where the election official performs a duty related to election administration.

Subd. 6. **Tampering with voting equipment.** (a) A person may not access without authorization, tamper with, or facilitate unauthorized access to or tampering with an electronic voting system, electromechanical voting equipment, or an election night reporting system before, during, or after any election required by law.

(b) A person may not knowingly publish or cause to be published passwords or other confidential information relating to an electronic voting system. In addition to any other remedies and penalties provided by this section, the secretary of state, county auditor, or municipal clerk must immediately revoke any authorized access rights of a person found to be in violation of this paragraph.

Subd. 7. **Tampering with ballot box.** A person may not willfully tamper with or open a ballot box, including a ballot drop box, except for the purpose of conducting official duties as expressly authorized by law.

Subd. 8. **Tampering with statewide voter registration system, registration list, or polling place roster.** Except for the purpose of conducting official duties as expressly authorized by law, a person may not mutilate or erase any name, figure, or word on a voter registration list or polling place roster; remove or destroy a registration list or polling place roster; or mutilate, erase, or remove any part of a list or roster from the place where it has been deposited with an intention to destroy it, to procure or prevent the election of any person, or to prevent any voter from voting.

Subd. 9. **Unauthorized access to statewide voter registration system.** A person may not knowingly access, or attempt to access, the statewide voter registration system except for the purpose of conducting official duties as expressly authorized by law.

Subd. 10. **Vicarious liability; conspiracy.** A person may be held vicariously liable for any damages resulting from the violation of this section and may be identified in an order restraining violations of this section if that person:

(1) intentionally aids, advises, hires, counsels, abets, incites, compels, or coerces a person to violate any provision of this section or attempts to aid, advise, hire, counsel, abet, incite, compel, or coerce a person to violate any provision of this section; or

(2) conspires, combines, agrees, or arranges with another to either commit a violation of this section or aid, advise, hire, counsel, abet, incite, compel, or coerce a third person to violate any provision of this section.

Subd. 11. **Criminal penalties; civil remedies.** (a) Except as otherwise provided, a person who violates this section is guilty of a gross misdemeanor.

(b) The attorney general, a county attorney, or an election official may bring a civil action to prevent or restrain a violation of this section.

(c) The attorney general, or an election official injured by an act prohibited by this section, may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by an election official under section 8.31, subdivision 3a, is in the public interest. In addition to all other damages, the court may impose a civil penalty of up to \$1,000 for each violation.

(d) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. An action for a penalty or remedy under this section must be brought within two years of the date the violation is alleged to have occurred. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective June 15, 2023, and applies to violations occurring on or after that date.

Sec. 46. Minnesota Statutes 2022, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** A person ~~may not display campaign material, post signs,~~ must not:

(1) ask, solicit, or in any manner try to induce or persuade a voter to vote for or refrain from voting for a candidate or ballot question; or

(2) wear, exhibit, or distribute any item that displays:

(i) the name, likeness, logo, or slogan of a candidate who appears on the ballot;

(ii) the number, title, subject, slogan, or logo of a ballot question that appears on the ballot; or

(iii) the name, logo, or slogan of a political party represented by a candidate on the ballot.

For purposes of this paragraph, "item" includes pamphlets, advertisements, flyers, signs, banners, stickers, buttons, badges, pencils, pens, shirts, hats, or any similar item.

(b) The prohibitions in paragraph (a) apply during voting hours:

(1) throughout the absentee and early voting periods:

(i) within a polling place; and

(ii) within 100 feet of the room in which a polling place is situated, to the extent practicable;
and

(2) on the day of a primary or general election:

(i) within a polling place ~~or~~;

(ii) within 100 feet of the building in which a polling place is situated, ~~or~~; and

(iii) anywhere on the public property on which a polling place is situated, ~~on primary or election day to vote for or refrain from voting for a candidate or ballot question. A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day. This section applies to areas established by the county auditor or municipal clerk for absentee voting as provided in chapter 203B.~~

(c) Nothing in this subdivision prohibits the distribution of "I VOTED" stickers as provided in section 204B.49.

EFFECTIVE DATE. This section is effective June 15, 2023.

Sec. 47. Minnesota Statutes 2022, section 211B.32, subdivision 1, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.022, subdivision 3, must be filed with the Campaign Finance and Public Disclosure Board.

(c) Violations of section 211B.076 may only be enforced as provided in section 211B.076.

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

Sec. 48. **CERTIFICATION.**

The secretary of state must certify to the revisor of statutes that the statewide voter registration system has been tested and shown to properly allow for tracking of the information required to conduct early voting and can handle the expected volume of use.

Sec. 49. RANKED CHOICE VOTING EDUCATION GRANTS.

Subdivision 1. **Authorized costs.** A home rule charter city that has adopted ranked choice voting for local elections is eligible to apply to the secretary of state for a grant to be used for a public education campaign on the use of ranked choice voting. The public education campaign must provide information to voters citywide but must focus on communities with language barriers, new voters, or low voter participation rates.

Subd. 2. **Application.** The secretary of state may make a grant to an eligible home rule charter city only after receiving an application from the city. The application must contain:

(1) the date the application is submitted;

(2) the name of the home rule charter city;

(3) the name and title of the individual who prepared the application;

(4) the total amount of the grant requested and a description of the proposed public education campaign, including how the campaign will reach communities with language barriers, new voters, or low voter participation rates;

(5) the total amount and source of the home rule charter city's money to be used to match a grant from the account;

(6) a certified statement by the home rule charter city that the grant will be used only for purposes authorized by this section; and

(7) any other information required by the secretary of state.

The deadline to submit grant applications is December 1, 2024.

Subd. 3. **Awarding grants.** (a) The secretary of state must not award grants prior to January 1, 2025. The secretary of state must not award more than \$40,000 in grants to any home rule charter city.

(b) Subject to the limitations in paragraph (a), a home rule charter city is eligible to receive a grant of no more than 50 percent of the total cost of public educational campaigns related to use of ranked choice voting. A home rule charter city may partner with and provide grant funds to third-party entities to assist with a public education campaign.

(c) The secretary of state must establish a procedure for awarding and distributing grants and a process for verifying the proper use of the grants after distribution. In evaluating the applications, the secretary of state must consider only the information set forth in the application and is not subject to Minnesota Statutes, chapter 14. If the secretary of state determines that the application has been fully and properly completed, and that there are sufficient funds available to award the grant, either

in whole or in part, the secretary of state may approve the application, subject to the limitations in paragraph (a).

Subd. 4. **Report to the legislature.** No later than February 15, 2026, the secretary of state must submit a report to the legislative committees with jurisdiction over elections policy on grants awarded by this section. The report must include:

(1) a list of each grant awarded including the home rule charter city, the amount of the grant, and how the funding will be spent; and

(2) the remaining balance of the appropriation for grants, if any.

Sec. 50. RANKED CHOICE VOTING AND VOTER ENGAGEMENT ADVISORY TASK FORCE.

Subdivision 1. **Scope.** A Ranked Choice Voting and Voter Engagement Task Force is established. The purpose of the task force is to engage election officials, state and local lawmakers, and community members for the purpose of assessing the adoption and implementation of ranked choice voting for local and statewide elections and to study voter engagement.

Subd. 2. **Membership.** (a) The task force consists of:

(1) the secretary of state or their designee;

(2) the state election director or their designee;

(3) four representatives of counties with experience administering elections, appointed by the Minnesota Association of County Officers, as follows:

(i) one representative from the seven-county metropolitan area;

(ii) two representatives from outside the seven-county metropolitan area; and

(iii) one representative from a jurisdiction that has implemented ranked choice voting;

(4) four representatives of cities with experience administering elections, appointed by the League of Minnesota Cities, as follows:

(i) one representative from the seven-county metropolitan area;

(ii) two representatives from outside the seven-county metropolitan area; and

(iii) one representative from a jurisdiction that has implemented ranked choice voting;

(5) one member of the house of representatives appointed by the speaker of the house of representatives;

(6) one member of the senate appointed by the majority leader of the senate;

(7) one member of the house of representatives appointed by the minority leader of the house of representatives;

(8) one member of the senate appointed by the minority leader of the senate;

(9) one representative of community-based organizations with demonstrated experience and interest in voting methods and election administration, appointed by the governor;

(10) one representative who has experience administering elections at the county or city level, appointed by the governor;

(11) one town clerk with experience administering elections, appointed by the Minnesota Association of Townships;

(12) one representative appointed by the Council on Asian Pacific Minnesotans;

(13) one representative appointed by the Minnesota Council on Latino Affairs;

(14) one representative appointed by the Council for Minnesotans of African Heritage;

(15) one representative appointed by the Indian Affairs Council;

(16) one representative appointed by the Minnesota Council on Disability;

(17) one representative appointed by the Minnesota Commission of the Deaf, DeafBlind, and Hard of Hearing;

(18) three public members appointed by the governor;

(19) two public members appointed by the senate majority leader;

(20) one public member appointed by the senate minority leader;

(21) two public members appointed by the speaker of the house of representatives; and

(22) one public member appointed by the minority leader of the house of representatives.

(b) The secretary of state, or the secretary's designee, serves as the chair of the task force. Members of the task force and subcommittees are governed by Minnesota Statutes, section 15.059, subdivision 6.

Subd. 3. **Organization.** (a) Appointments to the task force must be made no later than August 1, 2023. No later than August 15, 2023, the secretary of state, or the secretary's designee, must convene the first meeting of the task force. Appointing authorities described in subdivision 2, paragraph (a), clauses (18) to (22), must give preference to appointees who are new Americans; seniors; infrequent voters; Black, Indigenous, or people of color; individuals with disabilities; residents of greater Minnesota; or residents of cities that have adopted ranked choice voting. Appointing authorities described in subdivision 2, paragraph (a), clauses (18) to (22), must not appoint political party chairs, officers or employees of a political party, elected officials, family members of elected officials, or registered lobbyists.

(b) The task force and subcommittees are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Staff.** The Legislative Coordinating Commission must provide support staff, office space, and administrative services for the task force.

Subd. 5. **Duties.** The task force must study voter-facing issues related to ranked choice voting including but not limited to ballot design, voter instructions, usability of equipment, and other aspects of ranked choice voting that involve the voter. The task force must meet at least twice between August 1, 2023, and February 15, 2024, and at least twice between February 16, 2024, and February 15, 2025.

Subd. 6. **Report.** (a) By February 15, 2024, and February 15, 2025, the task force must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over elections policy and finance. The report must include:

(1) findings, conclusions, or recommendations relating to the voter-facing issues;

(2) draft legislation, if any, to implement the task force's recommendations; and

(3) the reports submitted to the task force chair by the subcommittees as required by subdivisions 7 and 8.

Subd. 7. **Ranked choice voting technical subcommittee.** (a) A ranked choice voting technical subcommittee is established within the task force. The ranked choice voting technical subcommittee must assess the technical aspects of implementing ranked choice voting for local and statewide elections. Members designated or appointed pursuant to subdivision 2, paragraph (a), clauses (1) to (11), are the members of the ranked choice voting technical subcommittee. The ranked choice voting technical subcommittee must meet at least monthly until the first report is submitted as provided in paragraph (d). After submission of the first report, the ranked choice voting technical subcommittee must meet regularly.

(b) One member of the ranked choice voting technical subcommittee designated by the secretary of state and the gubernatorial appointee with experience administering elections at the county or city level serve as cochairs of the ranked choice voting technical subcommittee. The cochairs of the ranked choice voting technical subcommittee are encouraged to request the participation of at least two members of Minnesota's congressional delegation, or their designees, including one member of the United States House of Representatives and one member of the United States Senate. These members serve as ex officio, nonvoting members of the ranked choice voting technical subcommittee.

(c) The ranked choice voting technical subcommittee must:

(1) assess the feasibility of local governments adopting ranked choice voting in conjunction with state general elections, including cross-county municipalities and school districts;

(2) assess the feasibility of adopting statewide ranked choice voting, particularly the impact on local election administration and voter experience;

(3) assess system readiness and any challenges, obstacles, or barriers to adoption or implementation of ranked choice voting for local and statewide elections;

(4) make recommendations on the standards and rules that would be needed to implement ranked choice voting for local and statewide elections;

(5) assess the technology required to implement ranked choice voting for local and statewide elections, including an inventory of current voting equipment across the state; an assessment of the feasibility of ranked choice voting with varied election equipment and systems; and recommendations for upgrading technology, where necessary or prudent; and

(6) recommend appropriations required to implement ranked choice voting for local and statewide elections, including equipment and software, education, and training.

(d) By February 1, 2024, and February 1, 2025, the ranked choice voting technical subcommittee must submit a report to the chair of the task force. The report must include:

(1) findings, conclusions, or recommendations relating to the duties of the subcommittee; and

(2) draft legislation, if any, to implement the subcommittee's recommendations.

Subd. 8. **Voter engagement subcommittee.** (a) A voter engagement subcommittee is established within the task force. The voter engagement subcommittee must assess voter engagement. Members designated or appointed pursuant to subdivision 2, paragraph (a), clauses (1) and (12) to (22), are the members of the voter engagement subcommittee. The voter engagement subcommittee must meet at least monthly until the first report is submitted as provided in paragraph (d). After submission of the first report, the voter engagement subcommittee must meet regularly.

(b) The senate majority leader must designate one of the individuals appointed by the senate majority leader as a cochair of the voter engagement subcommittee. The speaker of the house of representatives must designate one of the individuals appointed by the speaker of the house of representatives as a cochair of the voter engagement subcommittee.

(c) The voter engagement subcommittee must focus its analysis on eligible voters who are new Americans; seniors; Black, Indigenous, or people of color; low income; and individuals with disabilities. The voter engagement subcommittee must assess:

(1) current levels of understanding of voting methods used in Minnesota within the communities of focus;

(2) voter education efforts that were undertaken in Bloomington, Minneapolis, Minnetonka, St. Louis Park, and St. Paul after the adoption of ranked choice voting; and

(3) best practices for educating and engaging voters in the communities of focus.

(d) By February 1, 2024, and February 1, 2025, the voter engagement subcommittee must submit a report to the chair of the task force. The report must include:

(1) recommendations on how to increase voter participation in communities of focus;

(2) recommendations on how to further educate and engage voters in communities of focus, including whether current voter education and outreach efforts are sufficient or should be modified;

(3) recommendations on methods of voter outreach and education that should be employed within communities of focus in cases in which a jurisdiction is considering changing its method of voting and if it proceeds with changing its voting method; and

(4) any other recommendations related to voter engagement or education.

Subd. 9. **Sunset.** The task force and subcommittees expire March 1, 2025, or upon submission of the final report to the legislature, whichever is earlier.

EFFECTIVE DATE. This section is effective July 1, 2023, provided that the designated appointing authorities may take actions necessary to name members to serve on the task force beginning the day following final enactment.

Sec. 51. **REPEALER.**

Minnesota Statutes 2022, section 203B.081, subdivision 2, is repealed.

EFFECTIVE DATE. This section is effective June 1, 2023."

Delete the title and insert:

"A bill for an act relating to elections; modifying provisions related to lobbying; modifying election administration provisions; establishing a task force on ranked choice voting and voter engagement; amending requirements related to soliciting near the polling place; prohibiting election judge intimidation; authorizing certain local governments to adopt ranked choice voting; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 5.30, subdivision 2; 8.31, subdivision 1; 10A.01, subdivision 21, by adding a subdivision; 10A.04, subdivisions 4, 6; 10A.05; 10A.06; 10A.071, subdivision 1; 10A.31, subdivision 4; 201.022, subdivision 1; 201.071, subdivision 1, as amended; 201.091, subdivision 4a; 201.145, subdivisions 3, 4; 203B.001; 203B.01, by adding a subdivision; 203B.03, subdivision 1; 203B.05, subdivision 1; 203B.081, subdivisions 1, 3, by adding subdivisions; 203B.085; 203B.12, subdivision 7, by adding a subdivision; 203B.121, subdivisions 1, 2, 3, 4; 204B.09, subdivision 3; 204B.26; 204B.28, subdivision 2; 204B.45, subdivisions 1, 2; 204B.46; 204B.49; 206.845, subdivision 1; 211A.02, subdivision 1; 211B.11, subdivision 1; 211B.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 203B; 211B; repealing Minnesota Statutes 2022, section 203B.081, subdivision 2."

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

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 1682: A bill for an act relating to state government; appropriating money from clean water, parks and trails, and arts and cultural heritage funds.

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 "first year" is fiscal year 2024. The "second year" is fiscal year 2025. The "biennium" is fiscal years 2024 and 2025. The appropriations in this article are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. OUTDOOR HERITAGE FUND

<u>Subdivision 1. Total Appropriation</u>	\$	<u>171,135,000</u>	\$	<u>655,000</u>
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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.

<u>Subd. 2. Prairies</u>		<u>31,917,000</u>		<u>-0-</u>
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(a) Minnesota Prairie Recovery Program, Phase XIII

\$3,856,000 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 the 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 close of The Nature Conservancy's fiscal year. A list of proposed land acquisitions, restorations, and

enhancements must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in the *Minnesota Prairie Conservation Plan*.

(b) Martin County DNR WMA Acquisition, Phase VII

\$2,137,000 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 area purposes under Minnesota Statutes, section 86A.05, subdivision 8, as follows: \$1,670,000 to Fox Lake Conservation League Inc.; \$421,000 to Ducks Unlimited; and \$46,000 to The Conservation Fund. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) RIM Grasslands Reserve, Phase V

\$2,747,000 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 \$46,000 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) Prairie Chicken Habitat Partnership of the Southern Red River Valley, Phase IX

\$4,400,000 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 restore and enhance lands in the southern Red River Valley for wildlife management

purposes 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 the 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.

(e) Working Lands for Habitat

\$2,709,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements that allow long-term grazing while also protecting wildlife habitat and water quality under Minnesota Statutes, sections 103F.501 to 103F.531. Grazing plans must be developed before grazing is allowed. Of this amount, up to \$46,000 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) Accelerating the Wildlife Management Area Program, Phase XV

\$5,216,000 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 area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to the 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.

(g) Accelerating the USFWS Habitat Conservation Easement Program, Phase IV

\$5,077,000 the first year is to the commissioner of natural resources for agreements to restore and enhance wetland and prairie habitat on habitat easements of the United States Fish and Wildlife Service as follows: \$3,391,000 to Ducks Unlimited and \$1,686,000 to Pheasants Forever. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(h) DNR Grassland Enhancement, Phase XV

\$3,003,000 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.

(i) Enhanced Public Land - Grasslands, Phase VI

\$2,772,000 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.

Subd. 3. Forests

6,569,000

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(a) Hardwood Hills Habitat Conservation Program

\$1,894,000 the first year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and restore and enhance forest habitats in the hardwood hills ecological section of west-central Minnesota as follows: \$175,000 to St. John's University and \$1,719,000 to Minnesota Land Trust. \$168,000 of the amount 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 permanent conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

(b) Camp Ripley Sentinel Landscape Protection Program ACUB, Phase XI

\$2,133,000 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 \$111,000 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.

(c) Protecting and Enhancing Public Land Forest Habitats by Strategically Acquiring Private Land Inholdings

\$1,046,000 the first year is to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to protect and enhance forest habitats by strategically acquiring private forest land inholdings to provide better public forest

management, reduce fragmentation, and provide public access. A list of proposed acquisitions and enhancements must be provided as part of the required accomplishment plan.

(d) DNR Forest Habitat Enhancement, Phase III

\$1,496,000 the first year is to the commissioner of natural resources to restore and enhance forest wildlife habitats on public lands throughout Minnesota. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

Subd. 4. Wetlands

33,469,000

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(a) RIM Wetlands - Restoring the Most Productive Habitat in Minnesota, Phase XII

\$4,122,000 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 \$72,000 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.

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

\$7,061,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to restore and enhance prairie lands, wetlands, and land that buffers shallow lakes. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) Wetland Habitat Protection and Restoration Program, Phase VIII

\$3,012,000 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, forest/prairie transition, and forest regions. Of this amount, 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 conservation easement acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(d) Accelerating the Waterfowl Production Area Acquisition Program, Phase XIV

\$5,231,000 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.

(e) Wetland Enhancement in the Big Woods

\$619,000 the first year is to the commissioner of natural resources for an agreement with Scott-Le Sueur Waterfowlers to restore and enhance wetlands in Scott and Rice Counties. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Living Shallow Lakes and Wetlands Enhancement and Restoration Initiative, Phase IX

\$6,634,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore

and enhance shallow lakes, wetlands, and grasslands on public lands and wetlands and grasslands under permanent conservation easement for wildlife management. A list of proposed shallow-lake enhancements and wetland restorations must be provided as part of the required accomplishment plan.

(g) Voyageurs National Park Wetland Restoration Project, Phase III

\$1,153,000 the first year is to the commissioner of natural resources for an agreement with the National Park Service to restore and enhance wetland and lacustrine habitat in Voyageurs National Park. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(h) Accelerated Shallow Lakes and Wetland Enhancement, Phase XV

\$3,695,000 the first year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide. A list of proposed shallow lake and wetland restorations and enhancements must be provided as part of the required accomplishment plan.

(i) Bone Lake South Wetland Acquisition

\$1,942,000 the first year is to the commissioner of natural resources for an agreement with the Comfort Lake-Forest Lake Watershed District to acquire in fee and restore and enhance lands for wildlife and water quality purposes in the Bone Lake watershed. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

Subd. 5. **Habitats**

97,349,000

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(a) Hennepin County Habitat Conservation Program, Phase III

\$4,649,000 the first year is to the commissioner of natural resources for

agreements to acquire permanent conservation easements and to restore and enhance wildlife habitat in Hennepin County as follows: \$1,687,000 to Hennepin County and \$2,962,000 to Minnesota Land Trust. \$216,000 of the amount 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 permanent conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

(b) Anoka Sand Plain Habitat Conservation, Phase VIII

\$3,269,000 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: \$802,000 to the Anoka Conservation District; \$839,000 to Great River Greening; \$175,000 to the National Wild Turkey Federation; \$280,000 to Sherburne County; and \$1,173,000 to Minnesota Land Trust. \$144,000 of the amount 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 permanent conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

(c) Accelerating Habitat Conservation in Southwest Minnesota, Phase II

\$3,071,000 the first 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 \$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 conservation easement acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(d) Buffalo-Red River Watershed District Stream Habitat Program, Phase III

\$3,748,000 the first year is to acquire permanent conservation easements and restore and enhance aquatic and upland habitat associated with the Red River and Buffalo River watersheds. Of this amount, \$2,250,000 is to the commissioner of natural resources for an agreement with the Buffalo-Red River Watershed District and \$1,498,000 is to the Board of Water and Soil Resources. \$102,000 of the amount to the Board of Water and Soil Resources 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 and restorations must be included as part of the required accomplishment plan.

(e) Southeast Minnesota Protection and Restoration, Phase XI

\$3,675,000 the first 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 on public lands and permanent conservation easements in southeast Minnesota as follows: \$1,311,000 to The Nature Conservancy; \$942,000 to Trust for Public Land; and \$1,422,000 to Minnesota Land Trust. \$168,000 of the amount 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, restorations, and enhancements must be provided as part of the required accomplishment plan.

(f) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase II

\$3,648,000 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 lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, \$1,507,000 is to Northern Waters Land Trust and \$2,141,000 is to Minnesota Land Trust. \$192,000 of the amount 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 acquisitions must be included as part of the required accomplishment plan.

(g) Fisheries Habitat Protection on Strategic North-Central Minnesota Lakes, Phase IX

\$3,719,000 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: \$1,777,000 to Northern Waters Land Trust and \$1,942,000 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.

(h) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase XV

\$2,340,000 the first year is to the commissioner of natural resources to acquire in fee and restore and enhance lands for wildlife management purposes 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 the 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) DNR Trout Stream Conservation Easements, Phase III

\$1,043,000 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 \$120,000 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.

(j) Metro Big Rivers, Phase XIII

\$15,339,000 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: \$700,000 to Minnesota Valley Trust; \$540,000 to

Friends of the Mississippi River; \$928,000 to Great River Greening; \$11,171,000 to Trust for Public Land; and \$2,000,000 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 proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(k) St. Croix Watershed Habitat Protection and Restoration, Phase IV

\$13,306,000 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 in the St. Croix River watershed as follows: \$11,171,000 to Trust for Public Land; \$105,000 to Wild Rivers Conservancy; and \$2,030,000 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 proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(l) Shell Rock River Watershed Habitat Restoration Program, Phase XII

\$2,198,000 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 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.

(m) Integrating Habitat and Clean Water, Phase II

\$3,269,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore and enhance wildlife habitat identified in One Watershed, One Plan for stacked benefit to wildlife and clean water. Up to \$85,000 of the 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.

(n) Cannon River Watershed Habitat Restoration and Protection Program, Phase XII

\$2,981,000 the first year is to the commissioner of natural resources for agreements to acquire lands in fee and restore and enhance wildlife habitat in the Cannon River watershed as follows: \$119,000 to Clean River Partners; \$994,000 to Great River Greening; and \$1,868,000 to Trust for Public Land. A list of proposed land acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(o) Enhance Metro and Southeast Minnesota Trout Stream Habitats, Phase II

\$1,690,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams in the metro and southeast regions of Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(p) Lake Nokomis Shoreline Enhancements for Turtles and Pollinators, Phase II

\$755,000 the first year is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board

to enhance shoreline and upland habitat on Lake Nokomis. A list of proposed enhancements must be provided as part of the required accomplishment plan.

(q) Upper Sioux Community Habitat Restoration

\$966,000 the first year is to the commissioner of natural resources for an agreement with the Upper Sioux Community to restore and enhance oak savanna, forest, prairie, and other wildlife habitats on Tribal lands. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(r) Rum River Corridor Fish and Wildlife Habitat Enhancement, Phase II

\$1,699,000 the first year is to the commissioner of natural resources for an agreement with the Anoka County Soil and Water Conservation District to restore and enhance upland and riverine habitat in the Rum River corridor. A list of proposed enhancements and restorations must be provided as part of the required accomplishment plan.

(s) Restoring and Enhancing Minnesota's Important Bird Areas in the St. Croix River Valley

\$1,034,000 the first year is to the commissioner of natural resources for an agreement with Audubon Minnesota to restore and enhance wildlife habitat in important bird areas and other priority wildlife areas in the St. Croix River Valley. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(t) DNR St. Louis River Restoration Initiative, Phase X

\$2,596,000 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 \$140,000 is for an

agreement with Minnesota Land Trust. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(u) DNR Aquatic Habitat Restoration and Enhancement, Phase XI

\$4,122,000 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.

(v) DNR Roving Crew, Phase II

\$8,732,000 the first year is to the commissioner of natural resources to restore and enhance fish and wildlife habitat on permanently protected lands throughout Minnesota 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.

(w) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat, Phase XV

\$9,500,000 the first year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$500,000 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 \$2,500,000 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 \$1,000,000. Of the

total appropriation, \$450,000 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 by 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, 2026. 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.

Subd. 6. Administration

1,831,000

655,000

(a) Contract Management

\$336,000 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. Money appropriated in this paragraph is available until June 30, 2025.

(b) Legislative Coordinating Commission

\$634,000 the first year and \$651,000 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, 2025. Minnesota Statutes, section 16A.281, applies to this appropriation.

(c) Technical Evaluation Panel

\$190,000 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.

This appropriation is available until June 30, 2025.

(d) Core Functions in Partner-Led OHF Land Acquisitions

\$668,000 the first year is to the commissioner of natural resources to administer the initial development, restoration, and enhancement of fee title acquisitions funded through the outdoor heritage fund. Money may be used for land acquisition costs incurred by the department as part of conveying parcels to the Department of Natural Resources and for initial development activities on fee title acquisitions. This appropriation is available until June 30, 2026.

(e) 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.

Subd. 7. Availability of Appropriation

(a) 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. Money appropriated to acquire 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.

(b) Money appropriated in this section is available as follows:

(1) money appropriated to acquire real property is available until June 30, 2027;

(2) money appropriated to restore and enhance land acquired with an appropriation in this act is available for four years after the acquisition date with a maximum end date of June 30, 2031;

(3) money appropriated to restore and enhance other land is available until June 30, 2028;

(4) notwithstanding clauses (1) to (3), money appropriated for a project that receives at least 15 percent of its funding from federal funds is available until a date sufficient to match 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; and

(5) money appropriated for other projects is available until the end of the fiscal year in which it is appropriated.

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, 2023, 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 over \$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, as well as each recipient of a grant awarded under this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council to map any lands that are acquired in fee with money 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. Carryforward

(a) The availability of the appropriation under Laws 2016, chapter 172, article 1, section 2, subdivision 5, paragraph (j), Roseau Lake Rehabilitation, is extended to June 30, 2024.

(b) The availability of the appropriation under Laws 2017, chapter 91, article 1, section 2, subdivision 2, paragraph (g), Reinvest in Minnesota (RIM) Buffers for Wildlife and Water - Phase VII, is extended to June 30, 2025.

(c) The availability of the appropriation under Laws 2018, chapter 208, article 1, section 2,

subdivision 5, paragraph (i), Lower Mississippi River Habitat Partnership - Phase IV, is extended to June 30, 2027.

(d) The availability of the appropriation under Laws 2018, chapter 208, section 2, subdivision 5, paragraph (n), Buffalo River Watershed Stream Habitat Program, is extended to June 30, 2025.

(e) The availability of the appropriation for Laws 2020, chapter 104, article 1, section 2, subdivision 5, paragraph (a), Protecting Coldwater Fisheries on Minnesota's North Shore, is extended to June 30, 2025.

(f) The availability of the appropriation for Laws 2020, chapter 104, article 1, section 2, subdivision 5, paragraph (h), Hennepin County Habitat Conservation Program - Phase II, is extended to June 30, 2025.

(g) The availability of the appropriation under Laws 2022, chapter 77, article 1, section 2, subdivision 6, paragraph (a), Contract Management, is extended to June 30, 2024.

(h) The availability of the appropriation under Laws 2022, chapter 77, article 1, section 2, subdivision 6, paragraph (b), Technical Evaluation Panel, is extended to June 30, 2024.

Sec. 3. Minnesota Statutes 2022, section 97A.056, subdivision 22, is amended to read:

Subd. 22. **Revenues.** (a) A recipient must disclose to the Lessard-Sams Outdoor Heritage Council and the commissioner all revenues that are received by the recipient before the availability of the appropriation ends and that are generated from activities on land acquired in fee title or easement, restored, or enhanced with money from the outdoor heritage fund. The revenues must be disclosed to the council and commissioner no later than ~~60~~ 90 days after the availability of the appropriation ends.

(b) For all revenues disclosed under paragraph (a), a recipient must:

(1) use the revenues to protect, restore, or enhance wetlands, prairies, forests, or habitat for fish, game, or wildlife according to the appropriation purposes and the approved accomplishment plan;

(2) use the revenues for other purposes as approved in the accomplishment plan by the Lessard-Sams Outdoor Heritage Council; or

(3) transfer the revenues to the outdoor heritage fund no later than ~~60~~ 90 days after the availability of the appropriation ends, unless otherwise approved by the council.

(c) Paragraph (b), clause (3), does not apply to the state and its departments and agencies.

Sec. 4. Laws 2020, chapter 104, article 1, section 2, subdivision 5, as amended by Laws 2021, First Special Session chapter 1, article 1, section 4, 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~~ \$240,000 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, 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 "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. These are onetime appropriations.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 2025

Sec. 2. **CLEAN WATER FUND**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>158,897,000</u>	<u>\$</u>	<u>159,499,000</u>
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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 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. 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.

<u>Sec. 3. DEPARTMENT OF AGRICULTURE</u>	<u>\$</u>	<u>20,839,000</u>	<u>\$</u>	<u>20,839,000</u>
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(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, 2028.

(b) \$3,000,000 the first year and \$3,000,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended 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, 2028.

(c) \$4,799,000 the first year and \$4,799,000 the second year are for 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, demonstration, and promotion projects on properly implementing best management practices and vegetative cover; 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, 2028.

(e) \$40,000 the first year and \$40,000 the second year are for maintenance of the Minnesota Water Research Digital Library.

Costs for information technology development or support for the digital library may be paid to the Office of MN.IT Services. This appropriation is available until June 30, 2028.

(f) \$3,500,000 the first year and \$3,500,000 the second year are to implement the Minnesota agricultural water quality certification program statewide. This appropriation is available until June 30, 2028.

(g) \$150,000 the first year and \$150,000 the second year are for a regional irrigation water quality specialist through University of Minnesota Extension. This appropriation is available until June 30, 2028.

(h) \$3,000,000 the first year and \$3,000,000 the second year are for grants to the Board of Regents of the University of Minnesota to fund the Forever Green agriculture initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. This appropriation is available until June 30, 2028.

(i) \$500,000 the first year and \$500,000 the second year are for testing drinking-water wells for pesticides and establishing a mitigation program for water treatment of contaminated wells. This appropriation is available until June 30, 2028.

(j) \$1,750,000 the first year and \$1,750,000 the second year are for conservation equipment assistance grants to purchase equipment or items to retrofit existing equipment that has climate and water quality benefits. This appropriation is available until June 30, 2028.

(k) \$1,500,000 the first year and \$1,500,000 the second year are for expanding the existing state weather station and soil

temperature network to provide accurate and timely weather data to optimize the timing of irrigation, fertilizer, pesticide, and manure applications and support land management decisions. This appropriation is available until June 30, 2028.

(l) \$750,000 the first year and \$750,000 the second year are for grants for research and demonstration sites and projects to evaluate, develop, demonstrate, and promote regional and animal-specific recommendations for manure crediting and to develop or revise manure best management practices through University of Minnesota Extension. This appropriation is available until June 30, 2028.

Sec. 4. <u>POLLUTION CONTROL AGENCY</u>	<u>\$</u>	<u>24,187,000</u>	<u>\$</u>	<u>24,188,000</u>
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(a) \$9,050,000 the first year and \$9,050,000 the second year are for completing needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D. Of this amount, \$163,000 the first year and \$163,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in schools in the Red River of the North watershed. By February 15, 2025, the Red River Watershed Management Board must provide a report to the commissioner and to 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) \$6,350,000 the first year and \$6,350,000 the second year are to update watershed restoration and protection strategies, 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.

(c) \$1,000,000 the first year and \$1,000,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, evaluating trends.

(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) \$1,500,000 the first year and \$1,500,000 the second year are for national pollutant discharge elimination system wastewater and stormwater TMDL implementation efforts.

(f) \$3,550,000 the first year and \$3,550,000 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. 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 county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(g) \$650,000 the first year and \$650,000 the second year are for activities and grants that reduce chloride pollution.

(h) \$337,000 the first year and \$338,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(i) \$1,000,000 the first year and \$1,000,000 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.

(j) 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, 2028.

Sec. 5. DEPARTMENT OF NATURAL RESOURCES

\$ 12,780,000 \$ 12,780,000

(a) \$2,550,000 the first year and \$2,550,000 the second year are for streamflow monitoring.

(b) \$1,450,000 the first year and \$1,450,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) \$455,000 the first year and \$455,000 the second year are for assessing mercury and other fish contaminants, including PFAS compounds, and monitoring to track the status of impaired waters over time.

(d) \$2,150,000 the first year and \$2,150,000 the second year are for developing targeted,

science-based watershed restoration and protection strategies and for technical assistance for local governments.

(e) \$2,000,000 the first year and \$2,000,000 the second year are for water-supply planning, aquifer protection, and monitoring activities and analysis.

(f) \$1,600,000 the first year and \$1,600,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities and targeted forest stewardship for water quality.

(g) \$650,000 the first year and \$650,000 the second year are for applied research and tools, including maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data and for assessing the 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.

(i) \$100,000 the first year and \$100,000 the second year are for accelerating completion of or updates to county geologic atlases and supplementing water chemistry or chemical movement studies.

(j) \$300,000 the first year and \$300,000 the second year are for increasing native freshwater mussel production capacity and restoring and monitoring freshwater mussel restoration efforts.

(k) \$500,000 the first year and \$500,000 the second year are for implementing water storage projects on state-administered land to enhance water quality and ecological benefits.

(l) \$1,000,000 the first year and \$1,000,000 the second year are for providing technical and financial assistance for county and local governments to replace failing or ineffective culverts using modern designs that restore floodplain connectivity, biological connectivity, and channel stability. This appropriation is available for up to two additional years.

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

\$ 78,064,000 \$ 78,063,000

(a) \$39,500,000 the first year and \$39,500,000 the second year are for grants to implement state-approved watershed-based plans. The grants may be used to implement projects or programs 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 program 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) implementing state-approved plans, including within the following watershed planning areas: Bois de Sioux - Mustinka, Buffalo-Red River, Cannon River, Cedar - Wapsipinicon, Chippewa River, Clearwater River, Cottonwood-Middle Minnesota, Crow Wing River, Des Moines River, Greater Zumbro River, Hawk Creek - Middle

Minnesota, Kettle and Upper St. Croix, Lac qui Parle-Yellow Bank, Lake of the Woods, Lake Superior North, Le Sueur River, Leech Lake River, Long Prairie River, Lower Minnesota River East, Lower Minnesota River West, Lower St. Croix River, Middle-Snake-Tamarac Rivers, Mississippi River Brainerd, Mississippi River Headwaters, Mississippi River St. Cloud, Mississippi River Winona/La Crescent, Missouri River Basin, Nemadji River, North Fork Crow River, Otter Tail, Pine River, Pomme de Terre River, Rainy-Rapid River, Rainy River Headwaters - Vermilion River, Rainy River-Rainy Lake/Lower Rainy River, Red Lake River, Redeye River, Root River, Roseau River, Rum River, Sand Hill River, Sauk River, Shell Rock and Winnebago River, Snake River, South Fork of the Crow River, St. Louis River, Thief River, Two Rivers Plus, Upper and Lower Red Lake, Upper Minnesota River, Upper Mississippi - Grand Rapids, Watonwan River, Wild Rice - Marsh, and Yellow Medicine 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 must establish eligibility criteria and determine whether a planning area is ready to proceed and has the nonstate match committed.

(b) \$8,500,000 the first year and \$8,500,000 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) \$5,500,000 the first year and \$5,500,000 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) \$1,250,000 the first year and \$1,250,000 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 and the results accomplished under this section.

(e) \$2,000,000 the first year and \$2,000,000 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) \$2,500,000 the first year and \$2,500,000 the second year are for a 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 protection and recharge for groundwater. Up to \$200,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(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 \$200,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(h) \$100,000 the first year and \$100,000 the second year are for a technical evaluation panel to conduct restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) \$1,750,000 the first year and \$1,750,000 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) \$1,000,000 the first year and \$1,000,000 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) \$1,500,000 the first year and \$1,500,000 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 \$150,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(l) \$425,000 the first year and \$425,000 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.

(m) \$500,000 the first year and \$500,000 the second year are for developing and

implementing a water legacy grant program to expand partnerships for clean water.

(n) \$5,000,000 the first year and \$5,000,000 the second year are for permanent conservation easements to protect and restore wetlands and associated uplands. Up to \$300,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(o) \$6,039,000 the first year and \$6,038,000 the second year are for financial and technical assistance to enhance adoption of cover crops and other soil health practices to achieve water quality or drinking water benefits. The board may use grants to local governments and agreements with the United States Department of Agriculture, AgCentric at Minnesota State Center for Excellence, and other practitioners and partners to accomplish this work. Up to \$450,000 is for an agreement with the University of Minnesota Office for Soil Health for applied research and education on Minnesota's agroecosystems and soil health management systems. This appropriation is available until June 30, 2028, and may be extended to leverage available federal funds.

(p) The board must contract for delivery of services with Conservation Corps Minnesota for restoration, maintenance, training, and other activities under this section for up to \$750,000 the first year and up to \$750,000 the second year.

(q) The board may shift grant, implementation, or easement funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority activities identified by the board consistent with local water management plans.

(r) The board must require grantees to specify the outcomes that will be achieved by the grants.

(s) The appropriations in this section are available until June 30, 2028, except grant or easement funds are available for five years after the date a grant or other agreement is executed. Returned grant funds must be regranted consistent with the purposes of this section.

Sec. 7. DEPARTMENT OF HEALTH

\$ 11,296,000 \$ 11,904,000

(a) \$4,746,000 the first year and \$5,354,000 the second year are for developing health-based, Minnesota-specific water guidance for contaminants found or anticipated to be found in Minnesota drinking water, to certify private laboratories to conduct analyses for these contaminants, and to increase the capacity of the department's laboratory to analyze for these contaminants.

(b) \$1,500,000 the first year and \$1,500,000 the second year are for ensuring safe drinking water for private well users, including studying the occurrence and magnitude of contaminants in private wells; developing guidance and conducting outreach and education about well testing and mitigation; awarding grants to local governments; and designing voluntary interventions to reduce health risks to private well owners.

(c) \$3,750,000 the first year and \$3,750,000 the second year are for protecting sources of drinking water, including planning, implementation, and surveillance activities and grants to local governments and public water systems.

(d) \$750,000 the first year and \$750,000 the second year are to develop and deliver groundwater restoration and protection strategies on a watershed scale for use in local comprehensive water planning efforts, to provide resources to local governments

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

(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 statewide plan for protecting drinking water that incorporates select recommendations from the University of Minnesota's *Future of Drinking Water* report.

(f) \$300,000 the first year and \$300,000 the second year are for developing a statewide recreational water portal that includes an inventory of public beaches and information about local monitoring results and closures and that provides information about preventing illness and recreational water stewardship.

(g) Unless otherwise specified, the appropriations in this section are available until June 30, 2027.

Sec. 8. **METROPOLITAN COUNCIL** \$ 1,875,000 \$ 1,875,000

(a) \$1,125,000 the first year and \$1,125,000 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; support the growing needs of community water suppliers facing challenges, including PFAS, groundwater appropriation limitations, system reliability and resilience, and increased regional growth; and prevent degradation of groundwater resources in the metropolitan area. These projects 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 regionally beneficial water supply development projects; and

(5) development of subregional groundwater models and strategies.

(b) \$750,000 the first year and \$750,000 the second year are for the water demand reduction grants to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and protection of drinking water supplies.

Sec. 9. UNIVERSITY OF MINNESOTA

\$

1,500,000

\$ 1,500,000

(a) \$500,000 the first year and \$500,000 the second year are for developing Part A of county geologic atlases. This appropriation is available until June 30, 2030.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for a program to evaluate performance and technology transfer for stormwater best management practices, to evaluate best management performance and effectiveness to support meeting total maximum daily loads, to develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model, and to implement a system to transfer knowledge and technology across local government, industry, and regulatory sectors. This appropriation is available until June 30, 2030.

Sec. 10. <u>LEGISLATURE</u>	<u>\$</u>	<u>6,000</u>	<u>\$</u>	<u>-0-</u>
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\$6,000 the first year is for the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 11. <u>PUBLIC FACILITIES AUTHORITY</u>	<u>\$</u>	<u>8,350,000</u>	<u>\$</u>	<u>8,350,000</u>
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(a) \$8,250,000 the first year and \$8,250,000 the second year are for the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation is available until June 30, 2030.

(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, 2030.

(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. Laws 2019, First Special Session chapter 2, article 2, section 8, as amended by Laws 2021, First Special Session chapter 1, article 2, section 21, is amended to read:

Sec. 8. DEPARTMENT OF HEALTH	\$	6,497,000	\$	6,497,000
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(a) \$1,700,000 the first year and \$1,700,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standards exist, for improving the department's capacity to monitor the water quality of drinking water sources and to develop interventions to improve water quality, and for the department's laboratory to analyze unregulated contaminants. Of this amount, \$400,000 the first year and \$400,000 the second year are for the commissioner to work

in cooperation with the commissioners of agriculture, the Minnesota Pollution Control Agency, and natural resources to sample surface water and groundwater, including drinking water sources, and for an assessment to evaluate potential risks from microplastics and nanoplastics and identify appropriate follow-up actions. This appropriation is available until June 30, 2024.

(b) \$2,747,000 the first year and \$2,747,000 the second year are for protecting drinking water sources.

(c) \$550,000 the first year and \$550,000 the second year are to develop and deliver groundwater restoration and protection strategies on a watershed scale for use in local comprehensive water planning efforts, to provide resources to local governments for activities that protect sources of drinking water, and to enhance approaches that improve the capacity of local governmental units to protect and restore groundwater resources.

(d) \$750,000 the first year and \$750,000 the second year are for studying the occurrence and magnitude of contaminants in private wells and developing guidance, outreach, and interventions to reduce risks to private-well owners. This appropriation is available until June 30, 2024.

(e) \$250,000 the first year and \$250,000 the second year are for evaluating and addressing the risks from viruses, bacteria, and protozoa in groundwater supplies and for evaluating land uses that may contribute to contamination of public water systems with these pathogens.

(f) \$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 statewide plan for protecting drinking water.

(g) \$250,000 the first year and \$250,000 the second year are to create a road map for water reuse implementation in Minnesota and to address research gaps by studying Minnesota water reuse systems. This appropriation is available until June 30, 2024.

(h) Unless otherwise specified, the appropriations in this section are available until June 30, 2023.

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

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 "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. These are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **PARKS AND TRAILS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>72,162,000</u>	<u>\$</u>	<u>64,452,000</u>
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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 2024 appropriations are available until June 30, 2026, and fiscal year 2025 appropriations are available until June 30, 2027. 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.

Sec. 3. DEPARTMENT OF NATURAL RESOURCES

\$ 43,566,000 \$ 38,926,000

(a) \$28,593,000 the first year and \$25,526,000 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) \$14,296,000 the first year and \$12,763,000 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, \$475,000 the first year and \$475,000 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, 2024, 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 2025 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(d) By January 15, 2024, 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 environment and natural resources and the parks and trails fund.

(e) \$677,000 the first year and \$637,000 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) Grant recipients of an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

Sec. 4. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>28,593,000</u>	<u>\$</u>	<u>25,526,000</u>
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(a) \$28,593,000 the first year and \$25,526,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used only to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing agencies. Projects funded by the money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts approved by each elected body. Any money remaining after completing the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the money is used to supplement and not substitute for traditional sources of funding.

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

Sec. 5. **LEGISLATURE** \$ 3,000 \$ -0-

\$3,000 the first year is for the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 6. EXTENSION; ST. CLOUD TRAIL GRANT.

The availability of the grant to the city of St. Cloud for the Beaver Island Regional Trail construction and restoration project from the parks and trails fund appropriation under Laws 2019, First Special Session chapter 2, article 3, section 3, paragraph (b), is extended to June 30, 2024.

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

Sec. 7. APPROPRIATION EXTENSION.

The portions of the appropriations from the parks and trails fund in Laws 2019, First Special Session chapter 2, article 3, section 3, paragraph (b), and Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), that were granted to the city of Sandstone for the Robinson Park project are available until June 30, 2025.

Sec. 8. REGIONAL PARKS AND TRAILS; EXTENSION.

The appropriations from the parks and trails fund in Laws 2019, First Special Session chapter 2, article 3, section 3, paragraph (b), are available until June 30, 2025.

ARTICLE 4

ARTS AND CULTURAL HERITAGE FUND

Section 1. ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.

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 "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, and June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. All appropriations in this article are onetime.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. ARTS AND CULTURAL HERITAGE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>102,400,000</u>	<u>\$</u>	<u>89,552,000</u>
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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 must 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 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

<u>Subd. 3. Minnesota State Arts Board</u>		<u>48,421,000</u>		<u>41,796,000</u>
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(a) The amounts in this subdivision 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

\$38,737,000 the first year and \$33,437,000 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

\$7,263,000 the first year and \$6,269,000 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

\$2,421,000 the first year and \$2,090,000 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 five percent of the money 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 2024 and fiscal year 2025.

(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

19,995,000

18,720,000

(a) The amounts in this subdivision 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. Money 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, 2027. 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

\$7,500,000 the first year and \$7,500,000 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

\$7,500,000 the first year and \$7,500,000 the second year are for historic and cultural programs and purposes related to the heritage of the state.

(3) History Partnerships

\$2,820,000 the first year and \$2,820,000 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

\$400,000 the first year and \$400,000 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) Grants

(1) \$100,000 the first year is for a grant to the Litchfield Opera House to repair and update the electrical capabilities in the Litchfield Opera House;

(2) \$275,000 the first year is for a grant to the Dakota County Historical Society to upgrade and improve the Lawshe Memorial Museum; and

(3) \$900,000 the first year is for a grant to Olmsted County Historical Society to rehabilitate the historic George Stoppel stone house and barn and to construct an accessible pathway to the farmstead.

(d) 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

2,750,000

2,750,000

\$2,750,000 the first year and \$2,750,000 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 to 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, 2025, as grants or contracts in this subdivision are available until June 30, 2027.

Subd. 6. Department of Administration

15,779,000

12,015,000

(a) The amounts in this subdivision 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

\$2,000,000 the first year and \$2,000,000 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

\$2,000,000 the first year and \$2,000,000 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. This appropriation is available until June 30, 2025.

(e) Public Television

\$5,460,000 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. Of the amount in the first year, \$1,000,000 is for producing Minnesota military and veterans' history stories.

(f) Wilderness Inquiry

\$475,000 the first year and \$475,000 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

\$1,700,000 the first year and \$1,700,000 the second year are for a grant to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(h) Science Museum of Minnesota

\$800,000 the first year and \$800,000 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) Appetite for Change

\$200,000 the first year is to the nonprofit Appetite for Change for the Community Cooks programming, which will preserve the cultural heritage of growing and cooking food in Minnesota.

(j) Lake Superior Zoo

\$100,000 the first year and \$100,000 the second year are to the Lake Superior Zoo to develop educational exhibits and programs.

(k) Veterans Memorial Park in Wyoming

\$154,000 the first year is for a grant to the city of Wyoming to build the Veterans Memorial Plaza and related interpretive walk in Railroad Park.

(l) Great Lakes Aquarium

\$100,000 the first year and \$100,000 the second year are to the Lake Superior Center Authority to prepare, fabricate, and install a hands-on exhibit with interactive learning components to educate Minnesotans on the history of the natural landscape of the state.

(m) Minnesota State Band

\$50,000 the first year is for a grant to the Minnesota State Band to provide for public performances across Minnesota.

(n) Great Northern Festival

\$150,000 the first year and \$150,000 the second year are for a grant to support the Great Northern Festival, which connects attendees to parks, outdoor spaces, and cultural venues through a festival.

(o) Governor's Council on Developmental Disabilities

\$50,000 the first year and \$50,000 the second year are to the Minnesota Governor's Council on Developmental Disabilities to continue to

preserve and raise awareness of the history of Minnesotans with developmental disabilities.

(p) Minnesota Council on Disability

\$550,000 the first year is to the Minnesota Council on Disability to provide educational opportunities in the arts, history, and cultural heritage of Minnesotans with disabilities in conjunction with the 50th anniversary of the Minnesota Council on Disability. This appropriation is available until June 30, 2027.

(q) Keller Regional Park

\$850,000 the first year is for a grant to Ramsey County to preserve Minnesota's cultural heritage by enhancing the tuj lub courts at Keller Regional Park.

(r) Changsa Friendship Garden

\$850,000 the first year is for a grant to the city of St. Paul for the design, project management, and construction of Phase II of the Changsha Friendship Garden in Phalen Regional Park. The city must prioritize completing the Hmong Plaza, the Heritage Wall, and the History Wall with grant proceeds.

(s) Camille Gage Artist Fellowship

\$55,000 the first year and \$55,000 the second year are for a grant to YWCA Minneapolis to fund an annual fellowship to be known as the Camille J. Gage Artist Fellowship. Of this amount, up to \$5,000 each year may be used for administrative expenses. YWCA Minneapolis must select a person for the Camille J. Gage Artist Fellowship after an application process that allows both applications by interested persons and nominations of persons by third parties. By October 1, 2026, YWCA Minneapolis must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over legacy on the use of money appropriated under this

paragraph and on the activities of the person selected for the Camille J. Gage Artist Fellowship under this paragraph. This appropriation is available until June 30, 2026.

(t) Minnesota African American Heritage Museum and Gallery

\$235,000 the first year and \$125,000 the second year are for arts and cultural heritage programming celebrating African American and Black communities in Minnesota. Of the amount in the first year, \$110,000 is for C. Caldwell Fine Arts for an outdoor mural project in North Minneapolis to work with young people to develop skills while using art as the impetus.

Subd. 7. <u>Minnesota Zoo</u>	<u>2,000,000</u>	<u>2,000,000</u>
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The amounts in this subdivision 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. <u>Minnesota Humanities Center</u>	<u>10,701,000</u>	<u>9,521,000</u>
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(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, and up to five percent of the appropriations specific to competitive grants programs, 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 under 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 under 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

\$1,536,000 the first year and \$1,536,000 the second year are for programs and purposes of the Minnesota Humanities Center.

(c) Children's Museum Grants

\$1,325,000 the first year and \$1,325,000 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) \$500,000 each year is for the Minnesota Children's Museum, St. Paul;

(2) \$75,000 each year is for the Children's Museum of Rochester, Rochester;

(3) \$75,000 each year is for The Works, Bloomington;

(4) \$75,000 each year is for the WonderTrek Children's Museum, Brainerd-Baxter;

(5) \$75,000 each year is for the Children's Discovery Center, Breckenridge;

(6) \$75,000 each year is for the Duluth Children's Museum, Duluth;

(7) \$75,000 each year is for the Otter Cove Children's Museum, Fergus Falls;

(8) \$75,000 each year is for the Children's Discovery Museum, Grand Rapids;

(9) \$75,000 each year is for the Wheel and Cog Children's Museum, Hutchinson;

(10) \$75,000 each year is for the Children's Museum of Southern Minnesota, Mankato;

(11) \$75,000 each year is for the Great River Children's Museum, St. Cloud; and

(12) \$75,000 each year is for The Village Children's Museum, Willmar.

(d) The Bakken Museum

\$75,000 each year is for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(e) Community Identity and Heritage Grant Program

(1) \$2,500,000 the first year and \$6,460,000 the second year are for a competitive grant program to provide grants to organizations or individuals residing or based in diverse Minnesota communities, including but not limited to Asian and Pacific Island communities, the Somali diaspora and other African immigrant communities, Indigenous communities with a focus on the 11 Tribes in Minnesota, the African American community, the Latinx community, the LGBTQIA+ community, and other underrepresented cultural groups to create, celebrate, and teach the art, culture, and heritage of these diverse Minnesota communities. In awarding grants under this clause, the Minnesota Humanities Center must consider the extent to which applicants represent groups that have been underrepresented in past awards of grant money from the arts and cultural heritage fund, and an individual or organization that receives a grant under this clause must do at least one of the following:

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

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

(iii) support the development of culturally diverse humanities programming, including

arts programming, by individuals and organizations; or

(iv) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing;

(2) \$50,000 the first year is for a grant to the Tibetan American Foundation of Minnesota to celebrate and teach the art, culture, and heritage of Tibetan Americans in Minnesota;

(3) \$50,000 the first year is for a grant to Hong De Wu Guan to create cultural arts projects like Lion Dance for after-school programs for youth;

(4) \$100,000 the first year is for a grant to the Red Lake Band of Chippewa Indians for the Red Lake Nation Tribal College Urban Center to develop new programs for the Red Lake Nation Community Dance Choir to provide dance and movement, singing, and combined traditional Indigenous, American Indian, and western music studies;

(5) \$100,000 the first year is for a grant to the Sepak Takraw of USA to work with youth and after-school programs in the community to teach the cultural games of tuj lub and sepak takraw. This appropriation may not be used to hold events;

(6) \$150,000 the first year is for a grant to 30,000 Feet, a nonprofit organization, to help youth and community artists further develop their artistic skills, to create community art and artistic performances, and to promote and share African American history and culture through the arts;

(7) \$180,000 the first year is for a grant to Siengkane Lao MN to create cultural arts projects and to preserve traditional performances;

(8) \$300,000 the first year is for a grant to the Hmong Cultural Center of Minnesota for

museum-related programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans;

(9) \$300,000 the first year is for a grant to Special Guerrilla Units Veterans and Families of USA, Inc. to collect, document, archive, preserve, and make available to the public Hmong Special Guerrilla Units veterans' histories and for programming and educational efforts to teach the public about their history serving as proxy soldiers for the United States during the Secret War in Laos;

(10) \$460,000 the first year is for museum-related programming and educational efforts to teach the public about the history and cultural heritage of Indigenous people in Minnesota; to upgrade and convert the Carnegie Library building in Park Rapids to Giiwedining - The Museum and Cultural Center of the North; to coordinate, curate, and organize displays of collections from Aking and other organizations at the museum; and to develop curriculum and program presentations for ongoing learning activities at the museum;

(11) \$500,000 the first year is for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to expand arts programming to celebrate Latino cultural heritage; support local artists; and provide professional development, networking, and presentation opportunities;

(12) \$900,000 the first year is for grants to recipients who have demonstrated knowledge and interest in preserving Hmong culture to preserve Hmong Minnesotans' heritage, history, language, and culture. \$750,000 of this amount must be used in conjunction with Minnesota universities to improve and develop a unified and standardized Latin alphabet form of the Hmong RPA writing system; and \$150,000 of this amount must be used to record, document, and transcribe

Hmong traditional music, courtship songs, and wedding and funeral songs; to provide youth education about Hmong heritage; to create bilingual Hmong and English novels or children's books with audio accompaniment; to make traditional Hmong hemp textiles; and to collect, preserve, and display Hmong artifacts and historical documents. No portion of this appropriation may be used to encourage religious membership or to conduct personal ceremonies or events;

(13) \$250,000 the first year is for a grant to the Somali Museum of Minnesota for heritage arts and cultural vitality programs to provide classes, exhibits, presentations, and outreach about the Somali community and heritage in Minnesota;

(14) \$900,000 the first year is for a grant to the Minnesota Museum of American Art for exhibit programming and for a Native American Fellowship at the museum; and

(15) \$900,000 the first year is for a grant to Ka Joog statewide Somali-based collaborative programs for arts and cultural heritage. The funding must be used for Fanka programs to provide arts education and workshops, mentor programs, and community presentations and community engagement events throughout Minnesota.

Nothing in this paragraph shall be construed to prevent a recipient of a grant under clauses (2) to (15) from applying to receive additional grant money under clause (1), provided that the applicant submits to the same application and oversight process as other recipients of money under that clause. The Board of Directors of the Minnesota Humanities Center must ensure that all expenditures of money appropriated in this paragraph are allowable under Minnesota Constitution, article XI, section 15.

(f) Civics Programs

\$125,000 the first year and \$125,000 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

2,300,000

2,300,000

\$2,300,000 the first year and \$2,300,000 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) \$850,000 the first year and \$850,000 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) \$460,000 the first year and \$460,000 the second year are for grants to Dakota and Ojibwe Indian language-immersion educational institutions;

(3) \$850,000 the first year and \$850,000 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) \$90,000 the first year and \$90,000 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

450,000

450,000

(a) \$400,000 the first year and \$400,000 the second year are 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 must develop grant-making criteria and guidance for expending money 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 must seek input from all interested parties.

(b) \$50,000 the first year and \$50,000 the second year are to the University of Minnesota Extension Office to provide grants to Minnesota 4-H chapters that have members participating in state and national 4-H-sanctioned shooting sports events. Eligible costs for grant money include shooting sports equipment and supplies and event fees associated with participating in state shooting sports events.

Subd. 11. Legislative Coordinating Commission

4,000

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The amount in this subdivision is appropriated for the Legislative Coordinating Commission to maintain the website required under Minnesota Statutes, section 3.303, subdivision 10.

**Subd. 12. Minnesota Historical Society Fiscal Year
2023 Appropriations**

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(a) \$2,226,000 in fiscal year 2023 is for historic and cultural programs and purposes related to the heritage of the state. This is a onetime appropriation and any unencumbered balance remaining in fiscal year 2023 does not cancel but is available until June 30, 2024.

(b) \$358,000 in fiscal year 2023 is 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. This is a onetime appropriation and any unencumbered balance remaining in fiscal year 2023 does not cancel but is available until June 30, 2024.

(c) \$510,000 in fiscal year 2023 is 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. This is a onetime appropriation and any unencumbered balance remaining in fiscal year 2023 does not cancel but is available until June 30, 2024.

EFFECTIVE DATE. Subdivision 12 is effective the day following final enactment.

ARTICLE 5

FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS

Section 1. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

(a) Before awarding a competitive, legislatively named, single-source, or sole-source grant to a nonprofit organization under this act, the grantor must require the applicant to submit financial information sufficient for the grantor to determine and document whether awarding the grant is reasonable and appropriate given the grantee's current financial standing and management. Items of significant concern must be addressed with the applicant and resolved to the satisfaction of the grantor before a grant is awarded. The grantor must document the material requested and reviewed, whether the applicant had a significant operating deficit or a deficit in unrestricted net assets, whether

and how the applicant resolved the grantor's concerns, and the grantor's final decision. This documentation must be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the applicant has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the applicant must demonstrate to the grantor's satisfaction that the applicant is exempt and must instead submit the applicant's most recent board-reviewed financial statements and documentation of internal controls;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law; and

(3) if the applicant's total annual revenue exceeds \$750,000, the applicant's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles.

(c) A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides additional technical assistance, as needed, and imposes additional reasonable requirements in the grant agreement, including but not limited to enhanced monitoring or reporting requirements.

(d) The requirements in this section are in addition to any other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 and 16B.98; or agency grant policy."

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; ensuring grantee accountability; amending Minnesota Statutes 2022, section 97A.056, subdivision 22; Laws 2019, First Special Session chapter 2, article 2, section 8, as amended; Laws 2020, chapter 104, article 1, section 2, subdivision 5, as amended."

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

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 3157: A bill for an act relating to transportation; appropriating money for the active transportation program.

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

Delete everything after the enacting clause and insert:

Subd. 2. Multimodal Systems(a) Aeronautics

<u>(1) Airport Development and Assistance</u>	<u>59,598,000</u>	<u>18,598,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	26,000,000	-0-
Airports	<u>33,598,000</u>	<u>18,598,000</u>

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$15,000,000 in fiscal year 2024 is from the state airports fund for significantly delayed system maintenance of critical airport safety systems, equipment, and essential airfield technology.

\$26,000,000 in fiscal year 2024 is from the general fund for matching federal aid, related state investments, and appropriate costs incurred by the department to carry out the provisions of this section. This is a onetime appropriation and is available until June 30, 2027.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section

360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2026 and 2027.

(2) Aviation Support Services 15,397,000 8,431,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>8,707,000</u>	<u>1,741,000</u>
<u>Airports</u>	<u>6,690,000</u>	<u>6,690,000</u>

\$7,000,000 in fiscal year 2024 is from the general fund to purchase two utility aircraft for the Department of Transportation.

(3) Civil Air Patrol 80,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) Transit and Active Transportation 86,278,000 18,324,000

This appropriation is from the general fund.

\$68,000,000 in fiscal year 2024 is from the general fund for matching federal aid, related state investments, and appropriate costs incurred by the department to carry out the provisions of this section. This is a onetime appropriation and is available until June 30, 2027.

(c) Safe Routes to School 10,500,000 10,500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The appropriations in each year are available until June 30, 2027.

The base for this appropriation is \$1,500,000 in each of fiscal years 2026 and 2027.

(d) Passenger Rail

52,455,000

3,860,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$1,955,000 in fiscal year 2024 and \$3,360,000 in fiscal year 2025 are from the general fund to provide a match to federal aid for capital and operating costs for expanded Amtrak service between the Twin Cities and Chicago. The base for this appropriation is \$4,876,000 in each of fiscal years 2026 and 2027.

\$50,000,000 in fiscal year 2024 is from the general fund for capital improvements and betterments, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction of the Minneapolis-Duluth Northern Lights Express intercity passenger rail project. This appropriation may be used to maximize nonstate funding for the purposes of this paragraph. This is a onetime appropriation and is available until December 31, 2027.

(e) Freight

9,596,000

8,566,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,229,000</u>	<u>1,900,000</u>
<u>Trunk Highway</u>	<u>6,367,000</u>	<u>6,666,000</u>

\$500,000 each year is from the general fund for weigh station operations and capital improvements.

\$1,420,000 in fiscal year 2024 is from the general fund for matching federal aid grants for improvements, engineering, and administrative costs for the Stone Arch Bridge in Minneapolis. This is a onetime

appropriation and is available until June 30, 2027.

Subd. 3. State Roads

(a) Operations and Maintenance 432,137,000 442,258,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,000,000</u>	<u>-0-</u>
<u>Trunk Highway</u>	<u>429,137,000</u>	<u>442,258,000</u>

\$1,000,000 in fiscal year 2024 is from the general fund for the highways for habitat program under Minnesota Statutes, section 160.2325.

\$1,000,000 in fiscal year 2024 is from the general fund for living snow fence implementation, including: acquiring and planting trees, shrubs, native grasses, and wildflowers that are climate adaptive to Minnesota; improvements; contracts; easements; rental agreements; and program delivery.

\$165,000 in each year is for living snow fence implementation and maintenance activities.

\$1,000,000 in fiscal year 2024 is from the general fund for safe road zones under Minnesota Statutes, section 169.065, including for development and delivery of public awareness and education campaigns about safe road zones.

The base for the appropriation from the trunk highway fund is \$436,258,000 in each of fiscal years 2026 and 2027.

(b) Program Planning and Delivery

(1) Planning and Research 34,679,000 35,465,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

The base for this appropriation is \$34,465,000 in each of fiscal years 2026 and 2027.

(2) Program Delivery 295,751,000 284,985,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
General	23,743,000	2,000,000
Trunk Highway	272,008,000	282,985,000

This appropriation includes use of consultants to support development and management of projects.

\$20,000,000 in fiscal year 2024 is from the general fund for roadway design and related improvements that reduce speeds and eliminate intersection interactions on rural high-risk roadways. The commissioner must identify roadways based on crash information and in consultation with Toward Zero Deaths program representatives and local traffic

safety partners. This is a onetime appropriation and is available until June 30, 2026.

\$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

\$1,193,000 in fiscal year 2024 is from the general fund for costs related to the property conveyance to the Upper Sioux Community of state-owned land within the boundaries of Upper Sioux Agency State Park, including fee purchase, property purchase, appraisals, and road and bridge demolition and related engineering.

\$300,000 in fiscal year 2024 is from the general fund for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone. This appropriation is available following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds.

\$250,000 in fiscal year 2024 is from the general fund for costs related to the Clean Transportation Standard and Sustainable Aviation Fuel Working Group established under article 8, section 56.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The base for the appropriation from the trunk highway fund is \$278,985,000 in each of fiscal years 2026 and 2027.

(c) State Road Construction

1,253,813,000

1,188,845,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base for this appropriation is \$1,176,613,000 in each of fiscal years 2026 and 2027.

(d) Corridors of Commerce

25,000,000

35,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

The base for this appropriation is \$60,000,000 in fiscal year 2026 and \$125,000,000 in fiscal year 2027.

(e) Highway Debt Service 270,097,000 297,280,000

\$267,097,000 in fiscal year 2024 and \$294,280,000 in fiscal year 2025 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) Statewide Radio Communications 6,653,000 6,907,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>6,650,000</u>	<u>6,904,000</u>

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. Local Roads

(a) County State-Aid Highways 966,020,000 1,064,766,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081 and 297A.815,

subdivision 3, and chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Streets

248,838,000

278,852,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner

of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) Other Local Roads

<u>(1) Local Bridges</u>	<u>45,000,000</u>	<u>-0-</u>
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This appropriation is from the general fund to replace or rehabilitate local deficient bridges under Minnesota Statutes, section 174.50. This is a onetime appropriation and is available until June 30, 2027.

<u>(2) Local Road Improvement</u>	<u>45,000,000</u>	<u>-0-</u>
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This appropriation is from the general fund for construction and reconstruction of local roads under Minnesota Statutes, section 174.52. This is a onetime appropriation and is available until June 30, 2027.

<u>(3) Local Transportation Disaster Support Account</u>	<u>4,300,000</u>	<u>1,000,000</u>
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This appropriation is from the general fund to provide a cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125. Of the appropriation in fiscal year 2024, \$3,300,000 is onetime and is available until June 30, 2027.

Subd. 5. Agency Management

<u>(a) Agency Services</u>	<u>313,737,000</u>	<u>85,299,000</u>
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<u>Appropriations by Fund</u>	<u>2024</u>	<u>2025</u>
General	<u>237,710,000</u>	<u>4,222,000</u>
Trunk Highway	<u>76,027,000</u>	<u>81,077,000</u>

\$216,400,000 in fiscal year 2024 is from the general fund for match requirements for

federal formula and discretionary grant programs. From this amount, the commissioner may make grants to any eligible applicant for match requirements and pay for costs incurred by the department in providing technical assistance to eligible applicants for federal discretionary grant programs. Of this amount, \$100,000,000 is for grants to local governments to meet federal match requirements. This is a onetime appropriation and is available until June 30, 2027.

\$13,600,000 in fiscal year 2024 is from the general fund for matching federal aid, related state investments, and appropriate costs incurred by the department to carry out the electric vehicle infrastructure program under Minnesota Statutes, section 174.47. This is a onetime appropriation and is available until June 30, 2027.

\$900,000 in each year is from the general fund for the purpose of establishing a Tribal affairs workforce training program related to the construction industry. The commissioner may enter into an agreement with any private, public, or Tribal entity for the planning, designing, developing, delivery, and hosting of the program. The commissioner may use this appropriation to pay for reasonable administration costs of the program.

\$2,000,000 in fiscal year 2024 is from the general fund for federal transportation grants technical assistance under article 8, section 58. This is a onetime appropriation and is available until June 30, 2027.

\$3,500,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are from the general fund for investments in asset management technologies, document and data transfer programs, research project management, and other information technology projects.

\$261,000 in each year is from the general fund for staffing to support the implementation and management of the federal National Electric Vehicle Infrastructure Formula Program.

(b) Buildings 40,790,000 41,120,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>55,000</u>	<u>55,000</u>
<u>Trunk Highway</u>	<u>40,735,000</u>	<u>41,065,000</u>

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before fiscal year 2024 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) Tort Claims 600,000 600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between funds; (2) from the appropriations for state road construction or debt service; or (3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

(c) The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) \$1,850,000 in fiscal year 2024 to the trunk highway fund;

(2) \$5,000,000 in fiscal year 2024 to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The funds transferred are for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 7. Contingent Appropriations

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk

highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. METROPOLITAN COUNCIL

<u>Subdivision 1. Total Appropriation</u>	\$	<u>139,630,000</u>	\$	<u>88,630,000</u>
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The appropriations in this section are from the general fund to the Metropolitan Council.

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

<u>Subd. 2. Transit System Operations</u>		<u>83,654,000</u>		<u>32,654,000</u>
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This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

\$50,000,000 in fiscal year 2024 is for a grant to Hennepin County for the Blue Line light rail transit extension project, including but not limited to predesign, design, engineering, environmental analysis and mitigation, right-of-way acquisition, construction, and acquisition of rolling stock. This is a onetime appropriation and is available until June 30, 2030.

\$1,000,000 in fiscal year 2024 is for the metropolitan land use and transportation policy study under article 6, section 35.

Subd. 3. **Metro Mobility** 55,976,000 55,976,000

This appropriation is for Metro Mobility under Minnesota Statutes, section 473.386. This is a onetime appropriation.

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** \$ 287,693,000 \$ 274,541,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>51,796,000</u>	<u>31,672,000</u>
<u>H.U.T.D.</u>	<u>1,336,000</u>	<u>1,378,000</u>
<u>Special Revenue</u>	<u>69,380,000</u>	<u>70,434,000</u>
<u>Trunk Highway</u>	<u>165,066,000</u>	<u>170,948,000</u>

The appropriations in this section are to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 only for state patrol purposes.

Subd. 2. **Administration and Related Services**

(a) **Office of Communications** 786,000 928,000

This appropriation is from the general fund.

(b) **Public Safety Support** 7,684,000 8,755,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,757,000</u>	<u>3,546,000</u>
<u>Trunk Highway</u>	<u>4,927,000</u>	<u>5,209,000</u>

(c) **Public Safety Officer Survivor Benefits** 640,000 640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Public Safety Officer Reimbursements** 1,367,000 1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) Soft Body Armor Reimbursements 745,000 745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Services 6,712,000 6,783,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>1,645,000</u>	<u>1,684,000</u>
Trunk Highway	<u>5,067,000</u>	<u>5,099,000</u>

Subd. 3. State Patrol

(a) Patrolling Highways 151,744,000 141,731,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>14,887,000</u>	<u>37,000</u>
H.U.T.D.	<u>92,000</u>	<u>92,000</u>
Trunk Highway	<u>136,765,000</u>	<u>141,602,000</u>

\$350,000 in fiscal year 2024 is from the general fund for predesign of a State Patrol headquarters building and related storage and training facilities. The commissioner of public safety must work with the commissioner of administration to complete the predesign. This is a onetime appropriation and is available until June 30, 2027.

\$14,500,000 in fiscal year 2024 is from the general fund to purchase a helicopter for the State Patrol. This is a onetime appropriation and is available until June 30, 2025.

\$611,000 in fiscal year 2024 and \$352,000 in fiscal year 2025 are from the trunk highway fund to support the State Patrol's accreditation process under the Commission on Accreditation for Law Enforcement Agencies.

<u>(b) Commercial Vehicle Enforcement</u>	<u>17,746,000</u>	<u>18,423,000</u>
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\$5,248,000 in each year is from the trunk highway fund to provide the required match for federal grants for additional troopers and nonsworn commercial vehicle inspectors.

<u>(c) Capitol Security</u>	<u>18,666,000</u>	<u>19,231,000</u>
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This appropriation is from the general fund.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

<u>(d) Vehicle Crimes Unit</u>	<u>1,244,000</u>	<u>1,286,000</u>
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This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

Subd. 4. Driver and Vehicle Services

<u>(a) Driver Services</u>	<u>39,959,000</u>	<u>40,544,000</u>
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This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$750,000 in fiscal year 2024 is for reimbursement to driver's license agents for

the purchase of equipment necessary for a full-service provider, as defined in Minnesota Statutes, section 171.01, subdivision 33a, following application to the commissioner. The commissioner may provide no more than \$15,000 to each driver's license agent.

\$115,000 in fiscal year 2024 and \$109,000 in fiscal year 2025 are for staff costs to manage, review, and audit online driver education programs.

\$262,000 in fiscal year 2024 and \$81,000 in fiscal year 2025 are for implementation of race and ethnicity information collection from applicants for drivers' licenses and identification cards.

(b) Vehicle Services

28,093,000

28,596,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$1,600,000 in fiscal year 2024 and \$1,300,000 in fiscal year 2025 are for staff and operating costs related to additional vehicle inspection sites.

\$101,000 in fiscal year 2024 and \$96,000 in fiscal year 2025 are for staff costs related to monitoring and auditing records issued by full-service providers.

\$57,000 in fiscal year 2024 and \$51,000 in fiscal year 2025 are for an appeals process for information technology system data access revocations, including costs of staff and equipment.

Subd. 5. Traffic Safety

8,864,000

4,109,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>8,303,000</u>	<u>3,494,000</u>
Trunk Highway	<u>561,000</u>	<u>615,000</u>

\$2,000,000 in each year is from the general fund for the administration of the Traffic

Safety Advisory Council under Minnesota Statutes, section 4.076, including staff costs.

\$407,000 in fiscal year 2024 and \$813,000 in fiscal year 2025 are from the general fund for staff and operating costs to create a Traffic Safety Data Analytics Center.

\$50,000 in fiscal year 2024 is from the general fund for an education and awareness campaign on motor vehicles passing school buses, designed to: (1) help reduce occurrences of motor vehicles unlawfully passing school buses; and (2) inform drivers about the safety of pupils boarding and unloading from school buses, including laws requiring a motor vehicle to stop when a school bus has extended the stop-signal arm and is flashing red lights and penalties for violations. The commissioner must identify best practices, review effective communication methods to educate drivers, and consider multiple forms of media to convey the information.

\$100,000 in fiscal year 2024 is from the general fund for a public awareness campaign to promote understanding and compliance with laws regarding the passing of parked authorized vehicles.

\$98,000 in each year is from the general fund to coordinate a statewide traffic safety equity program, including staff costs.

\$2,000,000 in fiscal year 2024 is from the general fund for grants to law enforcement agencies to undertake targeted speed reduction efforts on rural high-risk roadways.

\$2,000,000 in fiscal year 2024 is for grants to local units of government to increase traffic safety enforcement activities, including for training, equipment, overtime, and related costs for peace officers to perform duties that are specifically related to traffic management and traffic safety.

\$350,000 in fiscal year 2024 is from the general fund for grants to local units of government for safe ride programs that provide safe transportation options for patrons of hospitality and entertainment businesses within a community.

\$500,000 in fiscal year 2024 is from the general fund for grants to local units of government to perform additional traffic safety enforcement activities in safe road zones under Minnesota Statutes, section 169.065.

\$250,000 in fiscal year 2024 is from the general fund for the traffic safety violations disposition analysis under article 8, section 62.

Subd. 6. Pipeline Safety

1,443,000

1,443,000

This appropriation is from the pipeline safety account in the special revenue fund under Minnesota Statutes, section 299J.18.

Sec. 5. APPROPRIATION; SMALL COMMUNITY PARTNERSHIPS.

(a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are appropriated from the general fund to the Board of Regents of the University of Minnesota for small community partnerships on infrastructure project analysis and development as provided in this section. This is a onetime appropriation and is available until June 30, 2026.

(b) The appropriation under this section must be used for:

(1) partnership activities in the Regional Sustainable Development Partnerships, the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School of Public Affairs, the Center for Urban and Regional Affairs, or other related entities;

(2) support and assistance to small communities that includes:

(i) methods to incorporate consideration of sustainability, resiliency, and adaptation to the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets; and

(3) prioritization of support and assistance to political subdivisions and federally recognized Tribal governments based on insufficiency of capacity to undertake project development and apply for state or federal infrastructure grants.

(c) The agreement may provide for project analysis and development activities that include but are not limited to planning, scoping, analysis, predesign, design, preengineering, and engineering.

Sec. 6. APPROPRIATION; STATE PATROL OPERATING DEFICIENCY.

(a) \$6,728,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of public safety for State Patrol operating costs. This is a onetime appropriation and is available until December 31, 2023.

(b) \$106,000 in fiscal year 2023 is appropriated from the highway user tax distribution fund to the commissioner of public safety for the State Patrol Vehicle Crimes Unit. This is a onetime appropriation and is available until December 31, 2023.

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

Sec. 7. APPROPRIATION; TRANSPORTATION MANAGEMENT ORGANIZATIONS.

(a) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of transportation for grants to the I-494 Corridor Commission to provide telework resources, assistance, information, and related activities on a statewide basis.

(b) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of transportation for grants to the St. Paul transportation management organization. The organization must provide public education and information to support a reduction in vehicle miles traveled throughout the metropolitan area.

(c) \$103,000 in fiscal year 2024 and \$103,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of transportation for grants to the downtown Minneapolis transportation management organization. Programs funded with this appropriation must include but are not limited to a hybrid commuter education pilot program.

(d) \$350,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for grants to the city of Chatfield to develop a transportation management organization in southeastern Minnesota. Funds under this paragraph are available for developing a comprehensive assessment and financial plan for a transportation management organization in the counties of Rice, Goodhue, Dodge, Steele, Wabasha, Olmsted, Winona, Freeborn, Mower, Fillmore, and Houston. The study must assess how the transportation management organization can develop resources to meet the region's growing and changing transportation needs and prioritize transportation-related challenges that affect the region's workforce, access to health care and postsecondary education, and quality of life.

(e) Funds under paragraphs (a) to (c) are available for programming and service expansion to assist companies and commuters with carpool, vanpool, bicycle commuting, telework, and transit.

(f) The commissioner must not retain any portion of the appropriations under this section.

Sec. 8. Laws 2018, chapter 214, article 1, section 16, subdivision 11, as amended by Laws 2019, chapter 2, article 2, section 4, is amended to read:

Subd. 11. **Corridors of Commerce**

400,000,000

(a) From the bond proceeds account in the trunk highway fund for the corridors of commerce program under Minnesota Statutes, section 161.088.

(b) This appropriation is available in the amounts of:

(1) \$150,000,000 in fiscal year 2022;

(2) \$150,000,000 in fiscal year 2023; and

(3) \$100,000,000 in fiscal year 2024.

(c) The commissioner must select projects for the corridors of commerce program solely using the results of the spring 2018 evaluation for the corridors of commerce program, in order based on total score. In addition to the projects selected for funding in the first round from the spring 2018 evaluation, the commissioner must select at least two projects located outside the Department of Transportation metropolitan district. If funds are insufficient for an identified project, the commissioner must either select the identified project, or select one or more alternative projects that are (1) for a segment within the project limits of the identified project; and (2) also identified and scored in the spring 2018 evaluation process. For projects located outside the Department of Transportation metropolitan district, the commissioner must not select a project located in a county within which a project was selected for funding in the first round in the spring 2018 evaluation for the corridors of commerce program.

(d) Notwithstanding the project selection requirements under paragraph (c), any remaining amount of this appropriation is for predesign, design, engineering, and construction of an overpass and associated safety improvements at the intersection of marked Trunk Highway 9 and marked Trunk Highway 23 in the city of New London.

(e) The appropriation in Laws 2017, First Special Session chapter 3, article 2, section 2, subdivision 1, is available for the projects selected under paragraph (c) that the commissioner determines are ready to proceed.

~~(e)~~ (f) The appropriation in this subdivision is available for any projects selected by the commissioner using the results of the evaluation for the corridors of commerce program conducted in spring 2018.

~~(f)~~ (g) This appropriation cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued, and not as the date of enactment of this section.

Sec. 9. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance** 24,198,000 18,598,000

Appropriations by Fund

	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is

available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2024 and 2025.

(2) Aviation Support Services 8,332,000 8,340,000

Appropriations by Fund

	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

\$28,000 in fiscal year 2022 and \$36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

(3) Civil Air Patrol 80,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) Transit and Active Transportation 23,501,000 18,201,000

This appropriation is from the general fund.

\$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

\$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

(c) Safe Routes to School	5,500,000	500,000
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. Of this appropriation, \$5,000,000 in fiscal year 2022 is available until June 30, 2025.

(d) Passenger Rail	10,500,000	500,000
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This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, 2025.

(e) Freight	8,342,000	7,323,000
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Appropriations by Fund		
	2022	2023
General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

\$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, ~~2023~~ 2025.

\$350,000 in fiscal year 2022 and \$287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes, section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

Sec. 10. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 5, is amended to read:

Subd. 5. **Traffic Safety** 8,477,000 8,464,000

Appropriations by Fund		
	2022	2023
General	7,983,000	7,970,000
Trunk Highway	494,000	494,000

\$7,398,000 in fiscal year 2022 and \$7,398,000 in fiscal year 2023 are from the general fund for grants to school districts, nonpublic schools, charter schools, and companies that provide school bus services, for the purchase and installation of school bus stop-signal arm camera systems. In awarding grants, the commissioner must prioritize: regular route type A, B, C, and D buses; newer buses; and buses that do not already have a stop-signal arm or forward-facing camera. Cameras purchased with grants awarded pursuant to this section must be used within the state. When implementing the grant program, the commissioner must require grant recipients to submit an estimate of the recipient's

anticipated ongoing costs associated with the use of the cameras, including but not limited to costs for operating and maintaining the cameras, identifying violations, and methods for compiling video evidence of violations and providing the evidence to law enforcement. If the money in the account is sufficient to fund all requests, the commissioner must not require a local match. The commissioner may seek assistance from the commissioner of education in administering the grants. The base for this appropriation is \$2,000,000 in fiscal year 2024 and \$0 in fiscal year 2025. This is a onetime appropriation and is available until June 30, 2025.

\$110,000 in fiscal year 2022 and \$94,000 in fiscal year 2023 are from the general fund for staff costs to administer grants for school bus stop-signal arm cameras. This is a onetime appropriation and is available until June 30, 2025.

The base for the general fund is \$478,000 in each of fiscal years 2024 and 2025.

Sec. 11. **TRANSFERS.**

(a) \$323,112,000 in fiscal year 2024 is transferred from the general fund to the trunk highway fund for the state match for highway formula and discretionary grants under the federal Infrastructure Investment and Jobs Act, Public Law 117-58, and for related state investments.

(b) \$25,000,000 in each year is transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38. The base for this transfer is \$3,600,000 in each of fiscal years 2026 and 2027.

(c) \$500,000 in fiscal year 2024 is transferred from the general fund to the disadvantaged communities carsharing grant account under Minnesota Statutes, section 174.46, for the purposes of the grant program under that section.

(d) \$10,000,000 in fiscal year 2024 and \$10,000,000 in fiscal year 2025 are transferred from the general fund to the full-service provider account under Minnesota Statutes, section 299A.705. This is a onetime transfer.

ARTICLE 2**TRUNK HIGHWAY BONDS****Section 1. BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	<u>\$</u>	<u>550,000,000</u>
<u>Department of Management and Budget</u>	<u>\$</u>	<u>550,000</u>
<u>TOTAL</u>	<u>\$</u>	<u>550,550,000</u>

APPROPRIATIONS**Sec. 2. DEPARTMENT OF TRANSPORTATION**

<u>Subdivision 1. Corridors of Commerce</u>	<u>\$</u>	<u>300,000,000</u>
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This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount for program delivery. The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642.

Subd. 2. <u>State Road Construction</u>	<u>250,000,000</u>
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(a) This appropriation is to the commissioner of transportation for construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, and consultant usage to support these activities. The commissioner may use up to 17 percent of the amount for program delivery.

(b) This appropriation is available in the amounts of:

(1) \$150,000,000 in fiscal year 2024; and

(2) \$100,000,000 in fiscal year 2025.

(c) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (b), and not as the date of enactment of this section.

Sec. 3. **BOND SALE EXPENSES**

\$ 550,000

(a) This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

(b) This appropriation is available in the amounts of:

(1) \$450,000 in fiscal year 2024; and

(2) \$100,000 in fiscal year 2025.

Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$550,550,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

ARTICLE 3

TRANSPORTATION FINANCE

Section 1. Minnesota Statutes 2022, section 162.145, subdivision 2, is amended to read:

Subd. 2. **Small cities assistance account.** A small cities assistance account is created in the special revenue fund. The account consists of ~~funds as provided by law, and any other money~~

donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner of transportation and may only be expended as provided under this section.

Sec. 2. Minnesota Statutes 2022, section 162.145, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) ~~Subject to funds made available by law,~~ The commissioner must allocate all funds in the small cities assistance account as provided in subdivision 4 and must, by June 1, certify to the commissioner of revenue the amounts to be paid.

(b) Following certification from the commissioner, the commissioner of revenue must distribute the specified funds to cities in the same manner as local government aid under chapter 477A. An appropriation to the commissioner under this section is available to the commissioner of revenue for the purposes specified in this paragraph.

(c) Notwithstanding other law to the contrary, in order to receive distributions under this section, a city must conform to the standards in section 477A.017, subdivision 2. A city that receives funds under this section must make and preserve records necessary to show that the funds are spent in compliance with subdivision 5.

Sec. 3. Minnesota Statutes 2022, section 162.145, subdivision 4, is amended to read:

Subd. 4. **Distribution formula.** (a) ~~In each fiscal year in which funds are available under this section, the commissioner shall allocate funds to eligible cities:~~

~~(b)~~ (a) The preliminary aid to each city is calculated as follows:

(1) five percent of funds allocated equally among all eligible cities;

(2) 35 percent of funds allocated proportionally based on each city's share of lane miles of municipal streets compared to total lane miles of municipal streets of all eligible cities;

(3) 35 percent of funds allocated proportionally based on each city's share of population compared to total population of all eligible cities; and

(4) 25 percent of funds allocated proportionally based on each city's share of state-aid adjustment factor compared to the sum of state-aid adjustment factors of all eligible cities.

~~(c)~~ (b) The final aid to each city is calculated as the lesser of:

(1) the preliminary aid to the city multiplied by an aid factor; or

(2) the maximum aid.

~~(d)~~ (c) The commissioner shall set the aid factor under paragraph ~~(c)~~ (b), which must be the same for all eligible cities, so that the total funds allocated under this subdivision equals the total amount available for the fiscal year.

Sec. 4. **[162.146] LARGER CITIES ASSISTANCE ACCOUNT.**

Subdivision 1. **Larger cities assistance account.** A larger cities assistance account is created as a special revenue account and established in the state treasury. The account consists of money allotted, appropriated, or transferred through gift or grant to the account. Money in the account is annually appropriated to the commissioner of transportation for apportionment among all the cities that are eligible to receive municipal state aid under sections 162.09 to 162.14.

Subd. 2. **Distribution formula.** The commissioner must apportion: (1) 50 percent of the money so that of that amount, each city receives the percentage that its population bears to the total population of all cities that are eligible to receive municipal state aid; and (2) 50 percent of the money so that of that amount, each city receives the percentage that its money needs, as determined by the commissioner under section 162.13, subdivision 3, bears to the total money needs of all cities that are eligible to receive municipal state aid under sections 162.09 to 162.14.

Sec. 5. Minnesota Statutes 2022, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration tax is calculated as \$10 plus:

(1) for a vehicle initially registered in Minnesota prior to November 16, 2020, ~~1.25~~ 1.54 percent of the manufacturer's suggested retail price of the vehicle and the destination charge, subject to the adjustments in paragraphs (f) and (g); or

(2) for a vehicle initially registered in Minnesota on or after November 16, 2020, ~~1.285~~ 1.575 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments in paragraphs (f) and (g).

(b) The registration tax calculation must not include the cost of each accessory or item of optional equipment separately added to the vehicle and the manufacturer's suggested retail price. The registration tax calculation must not include a destination charge, except for a vehicle previously registered in Minnesota prior to November 16, 2020.

(c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to individually determine the registration tax on the vehicle using manufacturer's suggested retail price information provided by the manufacturer. The registrar must use the manufacturer's suggested retail price determined by the dealer as provided in paragraph (d). A dealer that elects to make the determination must retain a copy of the manufacturer's suggested retail price label or other supporting documentation with the vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

(d) The registrar must determine the manufacturer's suggested retail price:

(1) using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry;

(2) if the list price information is unavailable, using the amount determined by a licensed dealer under paragraph (c);

(3) if a dealer does not determine the amount, using the retail price label as provided by the manufacturer under United States Code, title 15, section 1232; or

(4) if the retail price label is not available, using the actual sales price of the vehicle.

If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered vehicle in the foregoing manner, the registrar may use any other available source or method.

(e) The registrar must calculate the registration tax using information available to dealers and deputy registrars at the time the initial application for registration is submitted.

(f) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a percentage of the manufacturer's suggested retail price, as follows:

(1) during the first year of vehicle life, upon 100 percent of the price;

(2) for the second year, ~~90~~ 95 percent of the price;

(3) for the third year, ~~80~~ 90 percent of the price;

(4) for the fourth year, ~~70~~ 80 percent of the price;

(5) for the fifth year, ~~60~~ 70 percent of the price;

(6) for the sixth year, ~~50~~ 60 percent of the price;

(7) for the seventh year, ~~40~~ 50 percent of the price;

(8) for the eighth year, ~~30~~ 40 percent of the price;

(9) for the ninth year, ~~20~~ 25 percent of the price; and

(10) for the tenth year, ten percent of the price.

(g) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1) and (2), must be calculated as ~~\$25~~ \$20.

(h) Except as provided in subdivision 23, for any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision and subdivision 1m must not exceed the smallest total amount previously paid or due on the vehicle.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to taxes payable for a registration period starting on or after January 1, 2024.

Sec. 6. **[168.1287] MINNESOTA BLACKOUT SPECIAL LICENSE PLATES.**

Subdivision 1. Issuance of plates. The commissioner must issue blackout special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the trunk highway fund; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The commissioner must adopt a suitable plate design that includes a black background with white text.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account.** Contributions collected under subdivision 1, clause (5), must be deposited in the trunk highway fund.

EFFECTIVE DATE. This section is effective January 1, 2024, for blackout special plates issued on or after that date.

Sec. 7. **[168E.01] DEFINITIONS.**

Subdivision 1. **Scope.** As used in this chapter, the following terms have the meanings given.

Subd. 2. **Clothing.** "Clothing" has the meaning given in section 297A.67, subdivision 8.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of revenue.

Subd. 4. **Motor vehicle.** "Motor vehicle" has the meaning given in section 168.002, subdivision 18.

Subd. 5. **Retail delivery.** "Retail delivery" means a retail sale of tangible personal property by a retailer for delivery by a motor vehicle to the purchaser at a location in Minnesota in which the sale contains at least one item of tangible personal property that is subject to taxation under chapter 297A, including the retail sale of clothing notwithstanding the exemption from taxation for clothing under chapter 297A.

Subd. 6. **Retail delivery fee.** "Retail delivery fee" means the fee imposed under section 168E.03 on retail deliveries.

Subd. 7. **Retail sale.** "Retail sale" has the meaning given in section 297A.61, subdivision 4.

Subd. 8. **Retailer.** "Retailer" means any person making sales, leases, or rental of personal property or services within or into the state of Minnesota. Retailer includes a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 9. **Tangible personal property.** "Tangible personal property" has the meaning given in section 297A.61, subdivision 10.

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

Sec. 8. **[168E.03] FEE IMPOSED.**

Subdivision 1. **Rate.** (a) A retailer who makes a retail delivery must add to the price of the retail delivery a retail delivery fee of 75 cents per delivery to be collected from the purchaser. The retailer must remit the fee to the commissioner in the time and manner prescribed by the commissioner in accordance with this chapter.

(b) The retail delivery fee must not be included in the sales price for purposes of calculating tax owed under chapter 297A.

(c) The retail delivery fee must be charged in addition to any other delivery fee. The retailer must show the total of the retail delivery fee and other delivery fees as separate items and distinct from the sales price and any other taxes or fees imposed on the retail delivery on the purchaser's receipt, invoice, or other bill of sale.

Subd. 2. **Delivery.** Each retail sale is a single retail delivery regardless of the number of shipments necessary to deliver the items of tangible personal property purchased.

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

Sec. 9. **[168E.05] EXEMPTIONS.**

Subdivision 1. **Certain transactions.** A retail delivery that includes only tangible personal property that is exempt from taxation under chapter 297A, except tangible personal property that is exempt as clothing under chapter 297A, is exempt from the retail delivery fee.

Subd. 2. **Certain entities.** A purchaser who is exempt from tax under chapter 297A is exempt from the retail delivery fee.

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

Sec. 10. [168E.07] COLLECTION AND ADMINISTRATION.

Subdivision 1. Returns; payment of fees. A retailer must report the fee on a return prescribed by the commissioner and must remit the fee with the return. The return and fee must be filed and paid using the filing cycle and due dates provided for taxes imposed under chapter 297A.

Subd. 2. Administration. Unless specifically provided otherwise by this section, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A, that are applicable to taxes imposed under chapter 297A, apply to the fee imposed under this chapter.

Subd. 3. Interest on overpayments. The commissioner must pay interest on an overpayment refunded or credited to the retailer from the date of payment of the fee until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the fee, whichever is later.

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

Sec. 11. [168E.09] DEPOSIT OF PROCEEDS.

Subdivision 1. Costs deducted. The commissioner must retain an amount that does not exceed the total cost of collecting, administering, and enforcing the retail delivery fee and must deposit the amount in the revenue department service and recovery special revenue fund.

Subd. 2. Deposits. After deposits under subdivision 1, the commissioner must deposit the balance of proceeds from the retail delivery fee as follows: (1) 70 percent to the highway user tax distribution fund; (2) 20 percent to the county state-aid highway fund; (3) nine percent to the municipal state-aid street fund; and (4) one percent to the food delivery support account under section 256.9752, subdivision 1a.

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

Sec. 12. Minnesota Statutes 2022, section 174.38, subdivision 3, is amended to read:

Subd. 3. Active transportation account. An active transportation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner and must be expended only on ~~a project~~ projects that receive financial assistance under this section.

Sec. 13. Minnesota Statutes 2022, section 256.9752, is amended by adding a subdivision to read:

Subd. 1a. Food delivery support account; appropriation. (a) A food delivery support account is established in the special revenue fund. The account consists of funds under sections 168E.09, subdivision 2, and as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of human services for grants to nonprofit organizations to provide transportation of home-delivered meals, groceries,

purchased food, or a combination, to Minnesotans who are experiencing food insecurity and have difficulty obtaining or preparing meals due to limited mobility, disability, age, or resources to prepare their own meals. A nonprofit organization must have a demonstrated history of providing and distributing food customized for the population that they serve.

(c) Grant funds under this subdivision must supplement, but not supplant, any state or federal funding used to provide prepared meals to Minnesotans experiencing food insecurity.

Sec. 14. Minnesota Statutes 2022, section 270C.15, is amended to read:

270C.15 REVENUE DEPARTMENT SERVICE AND RECOVERY SPECIAL REVENUE FUND.

A Revenue Department service and recovery special revenue fund is created for the purpose of recovering the costs of furnishing government data and related services or products, as well as recovering costs associated with collecting local taxes on sales and the retail delivery fee established under chapter 168E. All money collected under this section is deposited in the Revenue Department service and recovery special revenue fund. Money in the fund is appropriated to the commissioner to reimburse the department for the costs incurred in administering the tax law or providing the data, service, or product. Any money paid to the department as a criminal fine for a violation of state revenue law that is designated by the court to fund enforcement of state revenue law is appropriated to this fund.

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

Sec. 15. Minnesota Statutes 2022, section 297A.61, subdivision 7, is amended to read:

Subd. 7. **Sales price.** (a) "Sales price" means the measure subject to sales tax, and means the total amount of consideration, including cash, credit, personal property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- (1) the seller's cost of the property sold;
- (2) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expenses of the seller;
- (3) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- (4) delivery charges, except (i) the percentage of the delivery charge allocated to delivery of tax exempt property, when the delivery charge is allocated by using either ~~(i)~~ (A) a percentage based on the total sales price of the taxable property compared to the total sales price of all property in the shipment, or ~~(ii)~~ (B) a percentage based on the total weight of the taxable property compared to the total weight of all property in the shipment, and (ii) the retail delivery fee imposed under chapter 168E; and

(5) installation charges.

(b) Sales price does not include:

(1) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale;

(2) interest, financing, and carrying charges from credit extended on the sale of personal property or services, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(3) any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser.

(c) Sales price includes consideration received by the seller from third parties if:

(1) the seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;

(2) the seller has an obligation to pass the price reduction or discount through to the purchaser;

(3) the amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

(4) one of the following criteria is met:

(i) the purchaser presents a coupon, certificate, or other documentation to the seller to claim a price reduction or discount when the coupon, certificate, or documentation is authorized, distributed, or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate, or documentation is presented;

(ii) the purchaser identifies himself or herself to the seller as a member of a group or organization entitled to a price reduction or discount. A "preferred customer" card that is available to any customer does not constitute membership in such a group; or

(iii) the price reduction or discount is identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate, or other documentation presented by the purchaser.

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

Sec. 16. Minnesota Statutes 2022, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

~~(g) The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month. The monthly deposit amount is \$12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use. The commissioner must deposit the revenues derived from the taxes imposed on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:~~

(1) 47.5 percent in each year to the highway user tax distribution fund;

(2) to the general fund as follows:

(i) in fiscal year 2024, 50 percent;

(ii) in fiscal year 2025, 48 percent;

(iii) in fiscal year 2026, 46 percent;

(iv) in fiscal year 2027, 44 percent;

(v) in fiscal year 2028, 35 percent;

(vi) in fiscal year 2029, 28 percent;

(vii) in fiscal year 2030, 21 percent;

(viii) in fiscal year 2031, 14 percent;

(ix) in fiscal year 2032, seven percent; and

(x) in fiscal year 2033 and thereafter, zero percent; and

(3) the remainder in each year as follows:

(i) 60 percent to the county state-aid highway fund;

(ii) 22 percent to the municipal state-aid street fund;

(iii) nine percent to the small cities assistance account under section 162.145; and

(iv) nine percent to the larger cities assistance account under section 162.146.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

- (1) 25 percent to the volunteer fire assistance grant account established under section 88.068;
- (2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and
- (3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) The revenues deposited under paragraphs (a) to (j) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 17. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3) under section 297A.993, ~~(3)~~ (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

- (1) enacted before June 2, 1997, or
- (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference.

(c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles unless it is imposed under section 297A.993.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local sales tax and may only spend funds related to imposing a local sales tax to:

(1) conduct the referendum;

(2) disseminate information included in the resolution adopted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

(4) provide facts and data on the impact of the proposed local sales tax on consumer purchases; and

(5) provide facts and data related to the individual programs and projects to be funded with the local sales tax.

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

Sec. 18. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

(b) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

(c) "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123.

(d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed under this section.

Subd. 2. Sales tax imposition; rate. The Metropolitan Council must impose a metropolitan region sales and use tax at a rate of three-quarters of one percent on retail sales and uses taxable under this chapter made in the metropolitan area or to a destination in the metropolitan area.

Subd. 3. Administration; collection; enforcement. Except as otherwise provided in this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the administration, collection, and enforcement of the metropolitan sales tax.

Subd. 4. Deposit. Proceeds of the metropolitan sales tax must be deposited in the metropolitan area transit account under section 16A.88.

Subd. 5. **Revenue bonds.** (a) In addition to other authority granted in this section, and notwithstanding section 473.39, subdivision 7, or any other law to the contrary, the council may, by resolution, authorize the sale and issuance of revenue bonds, notes, or obligations to provide funds to (1) implement the council's transit capital improvement program, and (2) refund bonds issued under this subdivision.

(b) The bonds are payable from and secured by a pledge of all or part of the revenue received under subdivision 4 and associated investment earnings on debt proceeds. The council may, by resolution, authorize the issuance of the bonds as general obligations of the council. The bonds must be sold, issued, and secured in the manner provided in chapter 475, and the council has the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475, except that no election is required and the net debt limitations in chapter 475 do not apply to such bonds. The proceeds of the bonds may also be used to fund necessary reserves and to pay credit enhancement fees, issuance costs, and other financing costs during the life of the debt.

(c) The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which must define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge must be a valid charge on the revenues received under section 297A.99, subdivision 11. Neither the state, nor any municipality or political subdivision except the council, nor any member or officer or employee of the council, is liable on the obligations. No mortgage or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest in the revenues and bond proceeds received by the council and pledged to the payment of the bonds. In the bond resolution or trust indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for sales and purchases made after October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 19. Minnesota Statutes 2022, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. **Rate.** (a) There is imposed an excise tax of ~~6.5~~ 6.875 percent on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

(b) The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a sales tax on motor vehicles refund agreement with the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases on or after July 1, 2023.

Sec. 20. Minnesota Statutes 2022, section 297B.09, is amended to read:

297B.09 ALLOCATION OF REVENUE.

Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter must be deposited ~~as provided in this subdivision~~ as follows:

~~(b) (1) 60 percent of the money collected and received must be deposited in the highway user tax distribution fund, 36 percent must be deposited;~~

~~(2) 34.5 percent in the metropolitan area transit account under section 16A.88; and four percent must be deposited~~

~~(3) 5.5 percent in the greater Minnesota transit account under section 16A.88.~~

~~(e) (b) It is the intent of the legislature that the allocations under paragraph (b) remain unchanged for fiscal year ~~2012~~ 2024 and all subsequent fiscal years.~~

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

Sec. 21. **[473.4465] METROPOLITAN REGION SALES AND USE TAX ALLOCATION.**

Subdivision 1. Definition. For purposes of this section, "sales tax revenue" means revenue from the metropolitan region sales and use tax under section 297A.9925 that is deposited in the metropolitan area transit account under section 16A.88.

Subd. 2. Distribution. Sales tax revenue is allocated:

(1) five-sixths to the council; and

(2) one-sixth to the commissioner of management and budget for deposit into the county state-aid highway fund.

Subd. 3. Use of funds; Metropolitan Council. (a) Sales tax revenue allocated to the council under subdivision 2, clause (1), is available as follows:

(1) five percent for the metropolitan area active transportation program under section 473.248; and

(2) 95 percent for transit system purposes under sections 473.371 to 473.452, including but not limited to operations, maintenance, and capital projects.

(b) The council must annually expend a portion of sales tax revenue in each of the following categories:

(1) improvements to regular route bus service levels;

(2) improvements related to transit safety, including additional transit officials, as defined under section 473.4075;

(3) maintenance and improvements to bus accessibility at transit stops and transit centers;

(4) transit shelter replacement and improvements under section 473.41;

(5) planning and project development for expansion of arterial bus rapid transit lines;

(6) operations and capital maintenance of arterial bus rapid transit;

(7) planning and project development for expansion of highway bus rapid transit and bus guideway lines;

(8) operations and capital maintenance of highway bus rapid transit and bus guideways;

(9) zero-emission bus procurement and associated costs in conformance with the zero-emission and electric transit vehicle transition plan under section 473.3927;

(10) demand response microtransit service provided by the council;

(11) financial assistance to replacement service providers under section 473.388, to provide for service, vehicle purchases, and capital investments related to demand response microtransit service; and

(12) financial assistance to political subdivisions and tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code for the metropolitan area active transportation program established in section 473.248.

Subd. 4. **Use of funds; Department of Transportation.** (a) Notwithstanding any other law to the contrary, the commissioner of transportation must allocate the funds deposited under subdivision 2, clause (2), to the metropolitan counties, as defined in section 473.121, subdivision 4, as follows:

(1) 50 percent apportioned among the counties so that each county receives of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, bears to the total population of the counties receiving funds under this paragraph; and

(2) 50 percent apportioned among the counties so that each county receives of such amount the percentage that its money needs, as defined under section 162.07, subdivision 2, bears to the sum of the money needs of all of the individual counties receiving funds under this paragraph.

Subd. 5. **Tracking and information.** (a) The council must maintain separate financial information on sales tax revenue that includes:

(1) a summary of annual revenue and expenditures, including but not limited to balances and anticipated revenue in the forecast period under section 16A.103; and

(2) for each of the categories specified under subdivision 2 in the most recent prior three fiscal years:

(i) specification of annual expenditures; and

(ii) an overview of the projects or services.

(b) The council must publish the information required under paragraph (a) on the council's website.

EFFECTIVE DATE; APPLICATION. This section is effective October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 4

DRIVER AND VEHICLE SERVICES, DRIVER'S LICENSE AGENTS, AND DEPUTY REGISTRARS (INDEPENDENT EXPERT REVIEW PROVISIONS)

Section 1. Minnesota Statutes 2022, section 168.002, is amended by adding a subdivision to read:

Subd. 12a. **Full-service provider.** "Full-service provider" means a person who is appointed by the commissioner as both a deputy registrar under this chapter and a driver's license agent under chapter 171 who provides all driver services, excluding International Registration Plan and International Fuel Tax Agreement transactions. The commissioner is not a full-service provider.

Sec. 2. Minnesota Statutes 2022, section 168.327, subdivision 1, is amended to read:

Subdivision 1. **Records and fees.** (a) Upon request by any person authorized in this section, the commissioner ~~shall~~ or full-service provider must furnish a certified copy of any driver's license record, instruction permit record, Minnesota identification card record, vehicle registration record, vehicle title record, or accident record.

(b) Except as provided in subdivisions 4, 5a, and 5b, and other than accident records governed under section 169.09, subdivision 13, the requester ~~shall~~ must pay a fee of \$10 for each certified record specified in paragraph (a) or a fee of \$9 for each record that is not certified.

(c) Except as provided in subdivisions 4, 5a, and 5b, in addition to the record fee in paragraph (b), the fee for a copy of the history of any vehicle title not in electronic format is \$1 for each page of the historical record.

(d) ~~Fees~~ Of the fee collected by the commissioner under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, must be paid into the state treasury with 50 cents of each fee credited to must be deposited in the general fund, and the remainder of the fees collected must be credited to must be deposited in the driver and vehicle services operating account in the special revenue fund under section 299A.705. Of the fee collected by a full-service provider under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, the provider must transmit 50 cents to the commissioner to be deposited in the general fund, and the provider must retain the remainder.

(e) ~~Fees~~ Of the fee collected by the commissioner under paragraphs (b) and (c) for vehicle registration or title records, must be paid into the state treasury with 50 cents of each fee credited to must be deposited in the general fund, and the remainder of the fees collected must be credited to must be deposited in the driver and vehicle services operating account in the special revenue fund specified in under section 299A.705. Of the fee collected by a full-service provider under paragraphs (b) and (c) for vehicle registration or title records, the provider must transmit 50 cents of each fee to the commissioner to be deposited in the general fund, and the provider must retain the remainder.

(f) Except as provided in subdivisions 4, 5a, and 5b, the commissioner ~~shall~~ must permit a person to inquire into a record by the person's own electronic means for a fee of \$4.50 for each inquiry, except that no fee may be charged when the requester is the subject of the data. Of the fee collected by the commissioner:

(1) \$2.70 must be deposited in the general fund;

(2) for driver's license, instruction permit, or Minnesota identification card records, the remainder must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705; and

(3) for vehicle title or registration records, the remainder must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

(g) Fees and the deposit of the fees for accident records and reports are governed by section 169.09, subdivision 13.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 3. Minnesota Statutes 2022, section 168.327, subdivision 2, is amended to read:

Subd. 2. **Requests for information; surcharge on fee.** (a) Except as otherwise provided in subdivision 3, the commissioner ~~shall~~ or full-service provider must impose a surcharge of 50 cents on each fee charged by the commissioner or full-service provider under section 13.03, subdivision 3, for copies or electronic transmittals of public information about the registration of a vehicle or an applicant, or holder of a driver's license, instruction permit, or Minnesota identification card.

(b) The surcharge only applies to a fee imposed in response to a request made in person ~~or~~ by mail, or ~~to a request for transmittal through a computer modem~~ online. The surcharge does not apply to the request of an individual for information about that individual's driver's license, instruction permit, or Minnesota identification card or about vehicles registered or titled in the individual's name. The surcharges collected by a full-service provider must be transmitted to the commissioner to be deposited in the general fund.

(c) The surcharges collected by the commissioner under this subdivision must be credited to the general fund. The surcharges collected by a full-service provider must be transmitted to the commissioner to be deposited in the general fund.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 4. Minnesota Statutes 2022, section 168.327, subdivision 3, is amended to read:

Subd. 3. **Exception to fee and surcharge.** (a) Notwithstanding subdivision 2 or section 13.03, a fee or surcharge may not be imposed in response to a request for public information about the registration of a vehicle if the commissioner or full-service provider is satisfied that:

(1) the requester seeks the information on behalf of a community-based, nonprofit organization designated by a local law enforcement agency to be a requester; and

(2) the information is needed to identify suspected prostitution law violators, controlled substance law violators, or health code violators.

(b) The commissioner ~~shall~~ or full-service provider must not require a requester under paragraph (a) to make a minimum number of data requests or limit the requester to a maximum number of data requests.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 5. Minnesota Statutes 2022, section 168.327, is amended by adding a subdivision to read:

Subd. 7. Monitoring and auditing. The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

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

Sec. 6. Minnesota Statutes 2022, section 168.33, subdivision 7, is amended to read:

Subd. 7. Filing fees and surcharge; allocations. (a) In addition to all other statutory fees and taxes, ~~a filing fee of:~~

(1) a \$7 filing fee is imposed on every vehicle registration renewal, excluding pro rate transactions; ~~and~~

(2) a \$7.50 surcharge is imposed on the fee for every vehicle registration renewal, excluding pro rate transactions; and

(3) an \$11 filing fee is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee and surcharge must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, and the filing fees and surcharge imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge authorized by this paragraph must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under ~~this subdivision~~ paragraph (a) by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$5.50 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(ii) \$1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3; and

(2) of the fees collected under paragraph (a), clause ~~(2)~~ (3):

(i) \$3.50 must be deposited in the general fund;

(ii) ~~\$6.00~~ \$6 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(iii) \$1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3.

(f) The surcharge collected under paragraph (a), clause (2), must be allocated as follows:

(1) one-third of the revenue must be deposited in the small cities assistance account under section 162.145;

(2) one-third of the revenue must be deposited in the larger cities assistance account under section 162.146; and

(3) one-third of the revenue must be deposited in the town road account under section 162.081.

(g) In addition to all other statutory fees and taxes, a \$1 surcharge is imposed on every online transaction for which filing fees are collected under this subdivision. The proceeds from the surcharge must be deposited in the full-service provider account under section 299A.705, subdivision 5.

(h) In addition to all other statutory fees and taxes, a deputy registrar must assess a \$0.50 surcharge on every transaction for which filing fees are collected under this subdivision. The surcharge must be (1) deposited in the treasury of the place for which the deputy registrar is appointed, or (2) if the deputy registrar is not a public official, retained by the deputy registrar. For purposes of this paragraph, "deputy registrar" includes a deputy registrar who is a full-service provider.

EFFECTIVE DATE. This section is effective July 1, 2023, except that paragraphs (g) and (h) are effective July 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** The commissioner may not furnish information about registered owners of passenger automobiles who are lessees under a lease for a term of 180 days or more to any person except the owner of the vehicle, the lessee, personnel of law enforcement agencies and trade associations performing a member service under section 604.15, subdivision 4a, and federal, state, and local governmental units, and, at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls. The commissioner may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 8. Minnesota Statutes 2022, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) upon written request, the commissioner of public safety, a full-service provider as defined in section 171.01, subdivision 33a, or any law enforcement agency ~~shall~~ must disclose the report required under subdivision 8 to:

(i) any individual involved in the accident, the representative of the individual's estate, or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02;

(ii) any other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident;

(iii) legal counsel of a person described in item (i) or (ii);

(iv) a representative of the insurer of any person described in item (i) or (ii); or

(v) a city or county attorney or an attorney representing the state in an implied consent action who is charged with the prosecution of a traffic or criminal offense that is the result of a traffic crash investigation conducted by law enforcement;

~~(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;~~

~~(3)~~ (2) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

~~(4)~~ (3) the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations;

~~(5)~~ (4) upon specific request, the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

~~(6)~~ (5) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. ~~No report shall~~ A report must not be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety ~~shall~~ must furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified

accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety ~~shall~~ or full-service provider as defined in section 171.01, subdivision 33a, must charge authorized persons as described in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee collected by the commissioner under this paragraph must be deposited in ~~the special revenue fund and credited to the driver and vehicle services operating account established in section 299A.705~~ and ten percent must be deposited in the general fund. Of the \$5 fee collected by a full-service provider, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder. The commissioner may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner and law enforcement agencies ~~shall~~ must charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in ~~the special revenue fund and credited to the driver and vehicle services operating account established in~~ under section 299A.705 and ten percent must be deposited in the general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner ~~shall~~ must provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner ~~shall~~ must include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 9. Minnesota Statutes 2022, section 169.09, is amended by adding a subdivision to read:

Subd. 20. Monitoring and auditing. The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

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

Sec. 10. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 33a. Full-service provider. "Full-service provider" has the meaning given in section 168.002, subdivision 12a.

Sec. 11. Minnesota Statutes 2022, section 171.06, is amended by adding a subdivision to read:

Subd. 12. Preapplication. (a) The commissioner must establish a process for an applicant to submit an electronic preapplication for a driver's license or identification card. The commissioner must design the preapplication so that the applicant must enter information required for the application. The preapplication process must generate a list of documents the applicant is required to submit in person at the time of the application. At the time an individual schedules an appointment to apply for a driver's license or identification card, the commissioner, full-service provider, or driver's license agent who is scheduling the appointment must provide to the applicant a link to the preapplication website.

(b) An applicant who submitted a preapplication is required to appear in person before the commissioner, a full-service provider, or a driver's license agent to submit a completed application for the driver's license or identification card.

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

Sec. 12. Minnesota Statutes 2022, section 171.061, subdivision 4, is amended to read:

Subd. 4. Fee; equipment. (a) The agent may charge and retain a filing fee of ~~\$8~~ for each application; as follows:

<u>(1)New application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card</u>	<u>\$</u>	<u>16.00</u>
<u>(2)Renewal application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card</u>	<u>\$</u>	<u>11.00</u>

Except as provided in paragraph (c), the fee ~~shall~~ must cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The

convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner ~~shall~~ must adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

(c) The department ~~shall~~ must maintain the photo identification and vision examination equipment for all agents ~~appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department shall provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000.~~ All photo identification and vision examination equipment must be compatible with standards established by the department.

(d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county ~~shall~~ must retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (d).

EFFECTIVE DATE. This section is effective October 1, 2023, and applies to applications made on or after that date.

Sec. 13. Minnesota Statutes 2022, section 171.0705, is amended by adding a subdivision to read:

Subd. 11. Manual and study material availability. The commissioner must publish the driver's manual and study support materials for the written exam and skills exam. The study support materials must focus on the subjects and skills that are most commonly failed by exam takers. The commissioner must ensure that the driver's manual and study support materials are easily located and are available for no cost.

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

Sec. 14. Minnesota Statutes 2022, section 171.12, subdivision 1a, is amended to read:

Subd. 1a. Driver and vehicle services information system; security and auditing. (a) The commissioner must establish written procedures to ensure that only individuals authorized by law may enter, update, or access not public data collected, created, or maintained by the driver and vehicle services information system. An authorized individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail are public to the extent the data are not otherwise classified by law.

(b) If the commissioner ~~must immediately and permanently revoke the authorization of any~~ determines that an individual ~~who~~ willfully entered, updated, accessed, shared, or disseminated data in violation of state or federal law, the commissioner must impose disciplinary action. If an individual willfully gained access to data without authorization by law, the commissioner must forward the matter to the appropriate prosecuting authority for prosecution. The commissioner must not impose disciplinary action against an individual who properly accessed data to complete an authorized transaction or to resolve an issue that did not result in a completed authorized transaction.

(c) The commissioner must establish a process that allows an individual who was subject to disciplinary action to appeal the action. If the commissioner imposes disciplinary action, the commissioner must notify the individual in writing of the action, explain the reason for the action, and explain how to appeal the action. The commissioner must transmit the notification within five calendar days of the action.

(d) The commissioner must arrange for an independent biennial audit of the driver and vehicle services information system to determine whether data currently in the system are classified correctly, how the data are used, and to verify compliance with this subdivision. The results of the audit are public. No later than 30 days following completion of the audit, the commissioner must provide a report summarizing the audit results to the commissioner of administration; the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over transportation policy and finance, public safety, and data practices; and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

(e) For purposes of this subdivision, "disciplinary action" means a formal or informal disciplinary measure, including but not limited to requiring corrective action or suspending or revoking the individual's access to the driver and vehicle information system.

EFFECTIVE DATE. This section is effective October 1, 2023. Paragraphs (b), (c), and (e) apply to audits of data use that are open on or after October 1, 2023.

Sec. 15. Minnesota Statutes 2022, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner ~~shall~~ must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights,

signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

~~(e) The commissioner shall make provision for giving the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.~~

~~(d) The commissioner shall ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.~~

(c) The commissioner must ensure that no fewer than the following number of exam station locations are available:

(1) after July 1, 2023, and before July 1, 2024, 93 exam stations;

(2) after July 1, 2024, and before July 1, 2025, 83 exam stations;

(3) after July 1, 2025, and before July 1, 2026, 73 exam stations; and

(4) after July 1, 2026, and thereafter, 60 exam stations.

The commissioner must ensure that an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. The schedule for each exam station must be posted on the department's website.

(d) A located exam station must be open a minimum of one day per week.

(e) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided. The information must be easily accessible and must not require a person to sign in or provide any other information, except an address, in order to see available exam dates.

EFFECTIVE DATE. This section is effective July 1, 2023. Paragraph (d) is effective July 1, 2026. Paragraph (e) is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license issued by another state, United States territory, or jurisdiction that requires a comparable examination for obtaining a driver's license, the commissioner ~~may~~ must waive the ~~requirement~~ requirements that the applicant pass a written knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle ~~on determining that the applicant possesses a valid driver's license issued by a jurisdiction that requires a comparable demonstration for license issuance.~~

(b) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license with a two-wheeled vehicle endorsement issued by another state, United States territory, or jurisdiction that requires a comparable examination for obtaining the endorsement, the commissioner must waive the requirements that the applicant for a two-wheeled vehicle endorsement pass a written knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to applications made on or after that date.

Sec. 17. **[171.375] STUDENT PASS RATE.**

(a) For each driver training school, the commissioner must determine the percentage of students from that school who pass the written exam or road test on the student's first attempt, second attempt, or third or subsequent attempt. The commissioner must publicly post the information collected under this section on the department's website. At a minimum, the commissioner must update this information on the department's website at least every six months. The information must be searchable by the name of a school or a location.

(b) By January 1 and July 1 of each year, each driver training school must provide to the commissioner a list of all students who completed coursework at the school during the previous six months.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024. Paragraph (b) is effective July 1, 2024, and applies to lists submitted on or after that date.

Sec. 18. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

A driver and vehicle services fund is created in the state treasury. The fund consists of accounts and money as specified by law and any other money otherwise donated, allotted, or transferred to the fund.

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

Sec. 19. Minnesota Statutes 2022, section 299A.705, subdivision 1, is amended to read:

Subdivision 1. **Driver and vehicle services operating account.** ~~(a)~~ The driver and vehicle services operating account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money from the vehicle services fees specified in chapters 168, 168A, and 168D, all money collected under chapter 171, and any other money donated, allotted, transferred, or otherwise provided to the account.

~~(b)~~ Funds appropriated from the account must be used by the commissioner of public safety to administer:

(1) the vehicle services specified in chapters 168, 168A, and 168D, and section 169.345, including:

~~(1)~~ (i) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;

~~(2)~~ (ii) collecting title and registration taxes and fees;

~~(3)~~ (iii) transferring vehicle registration plates and titles;

~~(4)~~ (iv) maintaining vehicle records;

~~(5)~~ (v) issuing disability certificates and plates;

~~(6)~~ (vi) licensing vehicle dealers;

~~(7)~~ (vii) appointing, monitoring, and auditing deputy registrars; and

~~(8)~~ (viii) inspecting vehicles when required by law; and

(2) the driver services specified in chapters 169A and 171, including the activities associated with producing and mailing drivers' licenses and identification cards and notices relating to issuance, renewal, or withdrawal of driving and identification card privileges for any fiscal year or years and for the testing and examination of drivers.

Sec. 20. Minnesota Statutes 2022, section 299A.705, subdivision 3, is amended to read:

Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle services technology account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of the technology surcharge collected as specified in chapters 168, 168A, and 171; the filing fee revenue collected under section 168.33, subdivision 7; and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of public safety for the development, deployment, and maintenance of the driver and vehicle services information systems.

(c) By January 15 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the account, which must include information on (1) total revenue deposited in the driver and vehicle services technology account, with a breakdown by sources of funds; and (2) an estimate of ongoing system maintenance costs, including a breakdown of the amounts spent by category.

Sec. 21. Minnesota Statutes 2022, section 299A.705, is amended by adding a subdivision to read:

Subd. 5. **Full-service provider account.** (a) The full-service provider account is created in the driver and vehicle services fund, consisting of surcharges described in section 168.33, subdivision 7, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of public safety to distribute to full-service providers, as defined in section 168.002, subdivision 12a, and deputy registrars. The commissioner must distribute the money in the account as quarterly payments to each full-service provider and deputy registrar that was in operation during the previous quarter based proportionally on the total number of transactions completed by each full-service provider and deputy registrar. For the purposes of the distribution calculation in this paragraph, the number of transactions completed by a deputy registrar must first be multiplied by 0.2.

EFFECTIVE DATE. This section is effective July 1, 2023, and the first quarterly distribution must be made on or before October 15, 2023.

Sec. 22. **REPORT; DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT FINANCIAL SUSTAINABILITY.**

By July 1, 2024, the commissioner of public safety must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy an evaluation of deputy registrar and driver's license agent operations in the vehicle registration and driver's licensing system. The commissioner must engage with stakeholders in preparing and developing the report. The report, at a minimum, must:

(1) evaluate the current performance and impact of the quality of services provided by private deputy registrars and driver's license agents to the residents of Minnesota;

(2) evaluate and make recommendations on how to implement financial sustainability for private deputy registrars;

(3) detail the amount of financial assistance necessary to sustain a permanent role for private deputy registrars and driver's license agents;

(4) explain each proposed model of financial assistance or support for deputy registrars;

(5) detail a five-, ten-, and 20-year analysis on the role of deputy registrars and driver's license agents in the vehicle registration and driver's licensing system;

(6) evaluate and make recommendations on the long-term and market-rate financial assistance necessary to transition away from private deputy registrars and driver's license agents;

(7) explain and make recommendations on proposed legislation on the Division of Driver and Vehicle Services assuming all of the services provided by private deputy registrars and driver's license agents;

(8) identify and evaluate whether the Division of Driver and Vehicle Services has sufficient financial resources to assume all the services provided by private deputy registrars and driver's license agents; and

(9) propose legislation and make recommendations on fees and appropriations needed for the Division of Driver and Vehicle Services to assume all services provided by deputy registrars and driver's license agents.

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

Sec. 23. **REPORT; DRIVER AND VEHICLE SERVICES RECOMMENDATIONS.**

(a) By January 15, 2024, the commissioner of public safety must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy on driver and vehicle services recommendations and operations. The report must:

(1) review recommendations from the independent expert review of driver and vehicle services issued January 12, 2022, as identified under paragraph (b);

(2) review the recommendations made to the commissioner in the legislative auditor's report on driver examination stations issued in March 2021;

(3) provide the commissioner's plan for exam station locations, including how many exam stations will remain open and the locations of the exam stations;

(4) identify whether any limited driver's license agents are unable to become full-service providers because of the restrictions in Minnesota Statutes, section 171.061, and Minnesota Rules, chapter 7404, and, if so, whether the commissioner would recommend any exceptions to allow the limited driver's license agent to participate in the fee-sharing provisions of this act; and

(5) propose any statutory changes necessary or beneficial in implementing recommendations under clauses (1) and (2).

(b) The report must include information on the independent expert review recommendations to:

(1) revise the deputy registrar and driver's license agent contracts to encourage all deputy registrars and driver's license agents to become or remain full-service providers as defined in Minnesota Statutes, section 168.002, subdivision 12a;

(2) determine how best to utilize certified and impartial third parties for administration of knowledge and road tests;

(3) implement data and reporting practices to assist the commissioner in making decisions focused on the residents of the state;

(4) conduct a staffing review that balances staff quantity and quality, leverages technology automations and configurations, and establishes performance standards and targets that meet the needs of the state;

(5) identify performance and service standards and create a deputy registrar performance scorecard and a driver's license agent performance scorecard that monitors user performance to ensure a consistently positive experience for Minnesotans;

(6) provide a rapid response communication method for situations where deputy registrars or driver's license agents need immediate support;

(7) explore ways to speed up background checks of new employees at the Division of Driver and Vehicle Services offices and deputy registrar offices, including using a police department or county sheriff;

(8) promote the preapplication process and expand the use of preapplications to all possible, relevant areas;

(9) evaluate and make recommendations to the legislature on areas where it is appropriate to make preapplications mandatory;

(10) adjust policies and practices to automate as many approval transactions as possible;

(11) determine the proper user level field needed by transaction type and explore additional differentiated user levels in MNDRIVE;

(12) allow deputy registrars to have increased visibility to and influence on the MNDRIVE enhancement process;

(13) engage a learning consultant and create a content strategy and communications campaign to meet the needs of Minnesota residents, including a feedback loop for continuous improvement and evolution;

(14) provide additional training and clear guidance regarding permissible use of records and enable in-application notation of usage other than for paid transactions;

(15) consider what security measures are appropriate at each deputy registrar or driver's license agent location, including the possible need for a security officer or for cameras with recording capabilities;

(16) offer training in de-escalation and negotiation techniques to all public-facing staff;

(17) examine the potential of allowing online applications for replacement class D drivers' licenses;

(18) conduct an analysis to determine whether extending the validity of a class D driver's license would benefit the residents of the state and make recommendations to the legislature on a renewal fee structure for renewal periods longer than four years but not more than nine years;

(19) explore options to encourage people to conduct transactions online or in person instead of by mail; and

(20) study the feasibility of splitting revenue from mail or online vehicle transactions between the commissioner and deputy registrars and full-service providers.

(c) For each of the recommendations under paragraph (a), clauses (1) and (2), and paragraph (b), the report must specify the status from one of the following categories:

(1) the recommendation is under ongoing active consideration or review, including to:

(i) describe the current state of the analysis; and

(ii) provide the anticipated timeline to conclude the review;

(2) the recommendation is in the process of being implemented, including to:

(i) describe how the recommendation is being implemented;

(ii) provide the anticipated timeline for implementation; and

(iii) provide an estimated cost of implementing the recommendation;

(3) the recommendation has been implemented, including to:

(i) describe when and how the recommendation was implemented;

(ii) describe the outcome of implementing the recommendation; and

(iii) provide an estimated cost of implementing the recommendation; or

(4) the recommendation will not be implemented, including to:

(i) provide a detailed explanation of why the recommendation will not be implemented;

(ii) provide an estimated cost to implement the recommendation;

(iii) provide an estimated timeline to implement the recommendation; and

(iv) describe any unmet needs that, if met, would allow the commissioner to implement the recommendation.

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

ARTICLE 5

DRIVER AND VEHICLE SERVICES CONFORMING CHANGES

Section 1. Minnesota Statutes 2022, section 168.013, subdivision 8, is amended to read:

Subd. 8. **Tax proceeds to highway user fund; fee proceeds to vehicle services account.** (a) Unless otherwise specified in this chapter, the net proceeds of the registration tax imposed under this chapter must be collected by the commissioner, paid into the state treasury, and credited to the highway user tax distribution fund.

(b) All fees collected under this chapter, unless otherwise specified, must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 2. Minnesota Statutes 2022, section 168.1293, subdivision 7, is amended to read:

Subd. 7. **Deposit of fee; appropriation.** The commissioner shall deposit the application fee under subdivision 2, paragraph (a), clause (3), in the driver and vehicle services operating account ~~of the special revenue fund~~ under section 299A.705. An amount sufficient to pay the department's cost in implementing and administering this section, including payment of refunds under subdivision 4, is appropriated to the commissioner from that account.

Sec. 3. Minnesota Statutes 2022, section 168.1295, subdivision 5, is amended to read:

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the state parks and trails donation account established in section 85.056. The other fees collected under this section must be deposited in the driver and vehicle services operating account ~~of the special revenue fund~~ under section 299A.705.

Sec. 4. Minnesota Statutes 2022, section 168.1296, subdivision 5, is amended to read:

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the Minnesota critical habitat private sector matching account established in section 84.943. The fees collected under this section must be deposited in the driver and vehicle services operating account ~~of the special revenue fund~~ under section 299A.705.

Sec. 5. Minnesota Statutes 2022, section 168.1298, subdivision 5, is amended to read:

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the Minnesota "Support Our Troops" account established in section 190.19. The fees collected under this section must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 6. Minnesota Statutes 2022, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner shall grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner shall inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 120 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) The license must be denied if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 49, sections 32701 to 32711 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery.

(2) A license must be denied if the applicant has had a dealer license revoked within the previous ten years.

(f) If the application is approved, the commissioner shall license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(g) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 7. Minnesota Statutes 2022, section 168.326, is amended to read:

168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.

(a) When an applicant requests and pays an expedited service fee of \$20, in addition to other specified and statutorily mandated fees and taxes, the commissioner shall expedite the processing of an application for a driver's license, driving instruction permit, Minnesota identification card, or vehicle title transaction.

(b) A driver's license agent or deputy registrar may retain \$10 of the expedited service fee for each expedited service request processed by the licensing agent or deputy registrar.

(c) When expedited service is requested, materials must be mailed or delivered to the requester within three days of receipt of the expedited service fee excluding Saturdays, Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply with all relevant requirements of the requested document.

(d) The commissioner may decline to accept an expedited service request if it is apparent at the time it is made that the request cannot be granted.

(e) The expedited service fees collected under this section ~~for an application for a driver's license, driving instruction permit, or Minnesota identification card~~ minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the driver and vehicle services operating account ~~in the special revenue fund specified under section 299A.705.~~

~~(f) The expedited service fees collected under this section for a transaction for a vehicle service minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the vehicle services operating account in the special revenue fund specified under section 299A.705.~~

Sec. 8. Minnesota Statutes 2022, section 168.327, subdivision 5b, is amended to read:

Subd. 5b. **Custom data request record fees.** (a) For purposes of this subdivision, "custom data request records" means a total of 1,000 or more (1) vehicle title records, (2) vehicle registration records, or (3) driver's license records.

(b) The commissioner must charge a fee of \$0.02 per record for custom data request records.

(c) Of the fees collected for custom data request records:

(1) 20 percent must be credited:

~~(i) for vehicle title or registration records, to the driver and vehicle services operating account under section 299A.705, subdivision 1, and is appropriated to the commissioner for the purposes of this subdivision; and~~

~~(ii) for driver's license records, to the driver services operating account under section 299A.705, subdivision 2, and is appropriated to the commissioner for the purposes of this subdivision;~~

(2) 30 percent must be credited to the data security account in the special revenue fund under section 3.9741, subdivision 5; and

(3) 50 percent must be credited to the driver and vehicle services technology account under section 299A.705, subdivision 3.

(d) The commissioner may impose an additional fee for technical staff to create a custom set of data under this subdivision.

Sec. 9. Minnesota Statutes 2022, section 168.381, subdivision 4, is amended to read:

Subd. 4. **Appropriations.** (a) Money appropriated to the Department of Public Safety to procure the plates for any fiscal year or years is available for allotment, encumbrance, and expenditure from

and after the date of the enactment of the appropriation. Materials and equipment used in the manufacture of plates are subject only to the approval of the commissioner.

(b) This section contemplates that money to be appropriated to the Department of Public Safety to carry out the terms and provisions of this section will be appropriated by the legislature from the highway user tax distribution fund.

(c) A sum sufficient is appropriated annually from the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705 to the commissioner to pay the costs of purchasing, delivering, and mailing plates, registration stickers, and registration notices.

Sec. 10. Minnesota Statutes 2022, section 168A.152, subdivision 2, is amended to read:

Subd. 2. **Inspection fee; proceeds allocated.** (a) A fee of \$35 must be paid to the department before the department issues a certificate of title for a vehicle that has been inspected and for which a certificate of inspection has been issued pursuant to subdivision 1. The only additional fee that may be assessed for issuing the certificate of title is the filing fee imposed under section 168.33, subdivision 7.

(b) Of the fee collected by the department under this subdivision, for conducting inspections under subdivision 1, \$20 must be deposited in the general fund and the remainder of the fee collected must be deposited in the driver and vehicle services operating account ~~in the special revenue fund as specified in~~ under section 299A.705.

Sec. 11. Minnesota Statutes 2022, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, \$8.25, of which \$4.15 must be paid into the driver and vehicle services operating account under section 299A.705, subdivision 1, and a surcharge of \$2.25 must be added to the fee and credited to the driver and vehicle services technology account under section 299A.705, subdivision 3;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, \$1; and

(4) for issuing a duplicate certificate of title, \$7.25, of which \$3.25 must be paid into the driver and vehicle services operating account under section 299A.705, subdivision 1, and a surcharge of \$2.25 must be added to the fee and credited to the driver and vehicle services technology account under section 299A.705, subdivision 3.

(b) In addition to the fee required under paragraph (a), clause (1), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Sec. 12. Minnesota Statutes 2022, section 168A.31, subdivision 2, is amended to read:

Subd. 2. **Expenses; appropriation.** All necessary expenses incurred by the department for the administration of sections 168A.01 to 168A.31 must be paid from money in the driver and vehicle services operating account of the ~~special revenue fund as specified in~~ section 299A.705, and such funds are hereby appropriated.

Sec. 13. Minnesota Statutes 2022, section 168D.06, is amended to read:

168D.06 FUEL LICENSE FEES.

License fees paid to the commissioner under the International Fuel Tax Agreement must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705. The commissioner shall charge an annual fuel license fee of \$15, an annual application filing fee of \$13 for quarterly reporting of fuel tax, and a reinstatement fee of \$100 to reinstate a revoked International Fuel Tax Agreement license.

Sec. 14. Minnesota Statutes 2022, section 168D.07, is amended to read:

168D.07 FUEL DECAL FEE.

The commissioner shall issue a decal or other identification to indicate compliance with the International Fuel Tax Agreement. The commissioner shall collect a fee for the decal or other identification in the amount established in section 168.12, subdivision 5. Decal or other identification fees paid to the commissioner under this section must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 15. Minnesota Statutes 2022, section 169A.60, subdivision 16, is amended to read:

Subd. 16. **Fees credited.** Fees collected from the sale or reinstatement of license plates under this section must be paid into the state treasury and credited one-half to the driver and vehicle services operating account ~~in the special revenue fund specified in~~ section 299A.705 and one-half to the general fund.

Sec. 16. Minnesota Statutes 2022, section 171.07, subdivision 11, is amended to read:

Subd. 11. **Standby or temporary custodian.** (a) Upon the written request of the applicant and upon payment of an additional fee of \$4.25, the department shall issue a driver's license or Minnesota identification card bearing a symbol or other appropriate identifier indicating that the license holder has appointed an individual to serve as a standby or temporary custodian under chapter 257B.

(b) The request must be accompanied by a copy of the designation executed under section 257B.04.

(c) The department shall maintain a computerized records system of all individuals listed as standby or temporary custodians by driver's license and identification card applicants. This data must be released to appropriate law enforcement agencies under section 13.69. Upon a parent's request and payment of a fee of \$4.25, the department shall revise its list of standby or temporary custodians to reflect a change in the appointment.

(d) At the request of the license or cardholder, the department shall cancel the standby or temporary custodian indication without additional charge. However, this paragraph does not prohibit

a fee that may be applicable for a duplicate or replacement license or card, renewal of a license, or other service applicable to a driver's license or identification card.

(e) Notwithstanding sections 13.08, subdivision 1, and 13.69, the department and department employees are conclusively presumed to be acting in good faith when employees rely on statements made, in person or by telephone, by persons purporting to be law enforcement and subsequently release information described in paragraph (b). When acting in good faith, the department and department personnel are immune from civil liability and not subject to suit for damages resulting from the release of this information.

(f) The department and its employees:

(1) have no duty to inquire or otherwise determine whether a designation submitted under this subdivision is legally valid and enforceable; and

(2) are immune from all civil liability and not subject to suit for damages resulting from a claim that the designation was not legally valid and enforceable.

(g) Of the fees received by the department under this subdivision:

(1) Up to \$61,000 received must be deposited in the general fund.

(2) All other fees must be deposited in the driver and vehicle services operating account ~~in the special revenue fund specified in under~~ section 299A.705.

Sec. 17. Minnesota Statutes 2022, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Examination fees.** (a) A fee of \$10 must be paid by an individual to take a third and any subsequent knowledge test administered by the department if the individual has failed two previous consecutive knowledge tests on the subject.

(b) A fee of \$20 must be paid by an individual to take a third and any subsequent skills or road test administered by the department if the individual has previously failed two consecutive skill or road tests in a specified class of motor vehicle.

(c) A fee of \$20 must be paid by an individual who fails to appear for a scheduled skills or road test or who cancels a skills or road test within 24 hours of the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver and vehicle services operating account ~~in the special revenue fund specified~~ under section 299A.705.

Sec. 18. Minnesota Statutes 2022, section 171.26, is amended to read:

171.26 MONEY CREDITED TO FUNDS.

Subdivision 1. **Driver and vehicle services operating account.** Unless otherwise specified, all money received under this chapter must be paid into the state treasury and credited to the driver and vehicle services operating account ~~in the special revenue fund specified~~ under ~~sections~~ section 299A.705, ~~except as provided in subdivision 2 of that section; 171.06, subdivision 2a; 171.07,~~

~~subdivision 11, paragraph (g); 171.20, subdivision 4, paragraph (d); and 171.29, subdivision 2, paragraph (b).~~

Sec. 19. Minnesota Statutes 2022, section 171.29, subdivision 2, is amended to read:

Subd. 2. **Reinstatement fees and surcharges allocated and appropriated.** (a) An individual whose driver's license has been revoked by reason of one or more convictions, pleas of guilty, forfeitures of bail not vacated, or mandatory revocations under section 169.791, 169.792, 169.797, 171.17, or 171.172, and who is otherwise eligible for reinstatement must pay a single \$30 fee before the driver's license is reinstated. An individual whose driver's license has been revoked under provisions specified in both this paragraph and paragraph (b) must pay the reinstatement fee as provided in paragraph (b).

(b) A person whose driver's license has been revoked under section 169A.52, 169A.54, 171.177, 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21, must pay a \$250 fee plus a \$430 surcharge for each instance of revocation before the driver's license is reinstated, except as provided in paragraph (f). The \$250 fee must be credited as follows:

(1) 20 percent to the driver and vehicle services operating account ~~in the special revenue fund as specified in under~~ section 299A.705;

(2) 67 percent to the general fund;

(3) eight percent to a separate account to be known as the Bureau of Criminal Apprehension account. Money in this account is annually appropriated to the commissioner of public safety and the appropriated amount must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065; and

(4) five percent to a separate account to be known as the vehicle forfeiture account, which is created in the special revenue fund. The money in the account is annually appropriated to the commissioner for costs of handling vehicle forfeitures.

(c) The revenue from \$50 of the surcharge must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The revenue from \$50 of the surcharge on a reinstatement under paragraph (f) is credited from the first installment payment to the traumatic brain injury and spinal cord injury account. The money in the account is annually appropriated to the commissioner of health to be used as follows: 83 percent for contracts with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 17 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this paragraph, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(1) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

- (2) the provision of a network of support for persons with traumatic brain injury, their families, and friends;
- (3) the development and support of programs and services to prevent traumatic brain injury;
- (4) the establishment of education programs for persons with traumatic brain injury; and
- (5) the empowerment of persons with traumatic brain injury through participation in its governance.

A patient's name, identifying information, or identifiable medical data must not be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian or, if the patient is a minor, of the parent or guardian of the patient.

(d) The remainder of the surcharge must be credited to a separate account to be known as the remote electronic alcohol-monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of management and budget on a monthly basis for deposit in the general fund.

(e) When these fees are collected by a driver's license agent, appointed under section 171.061, a filing fee is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees, surcharge, and filing fee must be deposited in an approved depository as directed under section 171.061, subdivision 4.

(f) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52, 169A.54, or 171.177 may choose to pay 50 percent and an additional \$25 of the total amount of the surcharge and 50 percent of the fee required under paragraph (b) to reinstate the person's driver's license, provided the person meets all other requirements of reinstatement. If a person chooses to pay 50 percent of the total and an additional \$25, the driver's license must expire after two years. The person must pay an additional 50 percent less \$25 of the total to extend the license for an additional two years, provided the person is otherwise still eligible for the license. After this final payment of the surcharge and fee, the license may be renewed on a standard schedule, as provided under section 171.27. A filing fee may be imposed for each installment payment. Revenue from the filing fee is credited to the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705 and is appropriated to the commissioner.

(g) Any person making installment payments under paragraph (f), whose driver's license subsequently expires, or is canceled, revoked, or suspended before payment of 100 percent of the surcharge and fee, must pay the outstanding balance due for the initial reinstatement before the driver's license is subsequently reinstated. Upon payment of the outstanding balance due for the initial reinstatement, the person may pay any new surcharge and fee imposed under paragraph (b) in installment payments as provided under paragraph (f).

Sec. 20. Minnesota Statutes 2022, section 171.36, is amended to read:

171.36 LICENSE FEES; RENEWAL.

All licenses expire one year from the date of issuance and may be renewed upon application to the commissioner. Each application for an original or renewal school license must be accompanied

by a fee of \$150 and each application for an original or renewal instructor's license must be accompanied by a fee of \$50. The license fees collected under sections 171.33 to 171.41 must be paid into the driver and vehicle services operating account ~~in the special revenue fund specified~~ under section 299A.705. A license fee must not be refunded in the event that the license is rejected or revoked.

Sec. 21. **REVISOR INSTRUCTION.**

The revisor of statutes must change the terms "driver services operating account" and "vehicle services operating account" to "driver and vehicle services operating account" wherever the terms appear in Minnesota Statutes.

Sec. 22. **REPEALER.**

Minnesota Statutes 2022, sections 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; and 299A.705, subdivision 2, are repealed.

ARTICLE 6

METROPOLITAN COUNCIL GOVERNANCE AND OPERATIONS

Section 1. Minnesota Statutes 2022, section 151.37, subdivision 12, is amended to read:

Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- (1) an emergency medical responder registered pursuant to section 144E.27;
- (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);
- (3) correctional employees of a state or local political subdivision;
- (4) staff of community-based health disease prevention or social service programs;
- (5) a volunteer firefighter; ~~and~~
- (6) a licensed school nurse or certified public health nurse employed by, or under contract with, a school board under section 121A.21; and
- (7) transit rider investment program personnel authorized under section 473.4075.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

- (1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

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

Sec. 2. [174.48] CONSTRUCTION OF NONARTERIAL BUS RAPID TRANSIT FACILITIES.

If a planned bus rapid transit line has either a total estimated construction cost of more than \$100,000,000 or will operate substantially within separated rights-of-way, the commissioner is the responsible authority and must construct bus rapid transit facilities and infrastructure in the metropolitan area. The commissioner must ensure any construction project subject to this section is constructed in compliance with applicable plans and designs adopted by the Metropolitan Council.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all bus rapid transit projects excluding the Gold Line bus rapid transit project.

Sec. 3. Minnesota Statutes 2022, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this subdivision, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of: (1) a law or ordinance relating to vehicle parking, for which there shall be is a \$12 surcharge; and (2) section 609.855, subdivision 1, 3, or 3a, for which there is a \$25 surcharge. When a defendant is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) The court may reduce the amount or waive payment of the surcharge required under this subdivision on a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family. Additionally, the court may permit the defendant to perform community work service in lieu of a surcharge.

(c) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

(d) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer

shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

(e) A person who enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

(f) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 4. Minnesota Statutes 2022, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b) to (d), the commissioner of management and budget shall disburse surcharges received under subdivision 6 as follows:

(1) one percent shall be credited to the peace officer training account in the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws; and

(2) 99 percent shall be credited to the general fund.

(b) The commissioner of management and budget shall credit \$3 of each surcharge received under subdivision 6 to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit the following to the general fund: \$47 of each surcharge received under subdivision 6 and; the \$12 parking surcharge, to the general fund; and the \$25 surcharge for a violation of section 609.855, subdivision 1, 3, or 3a.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 5. Minnesota Statutes 2022, section 473.146, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The council shall adopt a long-range comprehensive policy plan for transportation, climate action, and wastewater treatment. The plans must substantially conform to all policy statements, purposes, goals, standards, and maps in the development guide developed

and adopted by the council under this chapter. Each policy plan must include, to the extent appropriate to the functions, services, and systems covered, the following:

(1) forecasts of changes in the general levels and distribution of population, households, employment, land uses, and other relevant matters, for the metropolitan area and appropriate subareas;

(2) a statement of issues, problems, needs, and opportunities with respect to the functions, services, and systems covered;

(3) a statement of the council's goals, objectives, and priorities with respect to the functions, services, and systems covered, addressing areas and populations to be served, the levels, distribution, and staging of services; a general description of the facility systems required to support the services; the estimated cost of improvements required to achieve the council's goals for the regional systems, including an analysis of what portion of the funding for each improvement is proposed to come from the state, Metropolitan Council levies, and cities, counties, and towns in the metropolitan area, respectively, and other similar matters;

(4) a statement of policies to effectuate the council's goals, objectives, and priorities;

(5) a statement of the fiscal implications of the council's plan, including a statement of: (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if any, that are or may be required to effectuate the council's goals, objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that the council has recommended or may recommend;

(6) a statement of the relationship of the policy plan to other policy plans and chapters of the Metropolitan Development Guide;

(7) a statement of the relationships to local comprehensive plans prepared under sections 473.851 to 473.871; ~~and~~

(8) additional general information as may be necessary to develop the policy plan or as may be required by the laws relating to the metropolitan agency and function covered by the policy plan; and

(9) forecasts pertaining to greenhouse gas emissions that are generated from activity that occurs within local jurisdictions, including from transportation, land use, energy use, solid waste, livestock, and agriculture and the estimated impact of strategies that reduce or naturally sequester greenhouse gas emissions across sectors.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 6. Minnesota Statutes 2022, section 473.146, is amended by adding a subdivision to read:

Subd. 5. Development guide; climate action. The climate action chapter must include policies that describe how metropolitan system plans, as defined under section 473.852, subdivision 8, meet

greenhouse gas emissions reduction goals established by the state under section 216H.02, subdivision 1, and transportation targets established by the commissioner of transportation, including vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 7. **[473.248] METROPOLITAN AREA ACTIVE TRANSPORTATION PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "active transportation" means bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Subd. 2. **Program established.** Subject to available funds received under section 473.4465, the council must establish a program to support active transportation within the metropolitan area.

Subd. 3. **Program administration.** (a) The council must establish active transportation program requirements, including:

- (1) assistance eligibility, subject to the requirements under subdivision 4;
- (2) a solicitation and application process that minimizes the burden on applicants; and
- (3) procedures to award and pay financial assistance.

(b) The council must annually conduct a solicitation for active transportation projects under this program.

(c) The council must make reasonable efforts to publicize each application solicitation among all eligible recipients. The council must assist applicants to create and submit applications, with an emphasis on providing assistance in communities that are historically and currently underrepresented in local or regional planning, including communities of color, low-income households, people with disabilities, and people with limited English proficiency.

(d) The council may provide grants or other financial assistance for a project.

(e) The council is prohibited from expending more than one percent of available funds in a fiscal year under this section on program administration.

Subd. 4. **Eligibility.** An eligible recipient of financial assistance under this section includes:

- (1) a political subdivision; or
- (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as amended.

Subd. 5. **Use of funds.** The council must determine permissible uses of financial assistance under this section, which are limited to:

(1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b).

Subd. 6. **Project evaluation and selection.** The council must establish a project evaluation and selection committee. The chair of the council must appoint one city council member or mayor from each council district to serve on the committee. The committee must establish a process to select projects that are competitive, criteria-based, and objective. The process must include criteria and prioritization of projects based on:

(1) the project's inclusion in a municipal or regional nonmotorized transportation system plan;

(2) the extent to which policies or practices of the political subdivision encourage and promote complete street planning, design, and construction;

(3) the extent to which the project supports connections between communities and to key destinations within a community;

(4) identified barriers or deficiencies in the nonmotorized transportation system;

(5) identified safety or health benefits;

(6) geographic equity in project benefits, with an emphasis on communities that are historically and currently underrepresented in local or regional planning; and

(7) the ability of a grantee to maintain the active transportation infrastructure following project completion.

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

Sec. 8. Minnesota Statutes 2022, section 473.3994, subdivision 1a, is amended to read:

Subd. 1a. **Designation of responsible authority.** For each proposed light rail transit facility in the metropolitan area, the governor must designate ~~either the Metropolitan Council or the state of Minnesota acting through the commissioner of transportation as the entity responsible for planning, designing, acquiring, constructing, and equipping the facility. Notwithstanding such designation,~~ The commissioner ~~and the council~~ may enter into one or more cooperative agreements with the Metropolitan Council with respect to the planning, designing, ~~acquiring, constructing,~~ or equipping of a particular light rail transit facility that provide for the parties to exercise their respective authorities in support of the project in a manner that best serves the project and the public.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 9. Minnesota Statutes 2022, section 473.3994, subdivision 4, is amended to read:

Subd. 4. **Preliminary design plans; council hearing.** If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under

subdivision 3, the council shall hold a hearing on the plans, giving the commissioner of transportation; ~~if the responsible authority~~, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The council may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 60 days after the hearing, the council shall review the plans and shall decide what amendments to the plans, if any, must be made to accommodate the objections presented by the disapproving local governmental units. Amendments to the plans as decided by the council must be made before continuing the planning and designing process.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 10. Minnesota Statutes 2022, section 473.3994, subdivision 7, is amended to read:

Subd. 7. **Council review.** ~~If the commissioner is the responsible authority~~, Before proceeding with construction of a light rail transit facility, the commissioner must submit preliminary and final design plans to the Metropolitan Council. The council must review the plans for consistency with the council's development guide and approve the plans.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 11. Minnesota Statutes 2022, section 473.3994, subdivision 9, is amended to read:

Subd. 9. **Light rail transit operating costs.** (a) Before submitting an application for federal assistance for light rail transit facilities in the metropolitan area, the Metropolitan Council must prepare an estimate of the amount of operating subsidy which will be required to operate light rail transit in the corridor to which the federal assistance would be applied. The estimate must indicate the amount of operating subsidy estimated to be required in each of the first ten years of operation of the light rail transit facility. ~~If the commissioner of transportation is the responsible authority~~, The commissioner must provide information requested by the council that is necessary to make the estimate.

(b) The council must review and evaluate the estimate developed under paragraph (a) with regard to the effect of operating the light rail transit facility on the currently available mechanisms for financing transit in the metropolitan area.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 12. Minnesota Statutes 2022, section 473.3994, subdivision 14, is amended to read:

Subd. 14. **Transfer of facility after construction.** ~~If the commissioner of transportation is the responsible authority for a particular light rail transit facility~~, The commissioner must transfer to the Metropolitan Council all facilities constructed and all equipment and property acquired in developing ~~the a particular light rail transit~~ facility upon completion of construction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 13. Minnesota Statutes 2022, section 473.3995, is amended to read:

473.3995 LIGHT RAIL TRANSIT; DESIGN-BUILD METHOD.

(a) A responsible authority may use a design-build method of project development and construction for light rail transit. Notwithstanding any law to the contrary, a responsible authority may award a design-build contract on the basis of requests for proposals or requests for qualifications without bids. "Design-build method of project development and construction" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and bids the design and construction together.

(b) If a responsible authority utilizes a design-build method of project development and construction for light rail transit, the requirements and procedures in sections 161.3410 to 161.3426 apply to the procurement, subject to the following conditions and exceptions:

~~(1) if the Metropolitan Council is the responsible authority for a particular light rail transit project, when used in sections 161.3410 to 161.3426, (i) the terms "commissioner," "Minnesota Department of Transportation," "department," "state agencies," and "road authority" refer to the Metropolitan Council, and (ii) the term "state" refers to the Metropolitan Council except in references to state law or in references to the state as a geographical location;~~

~~(2) (1) the provisions of section 161.3412, subdivisions 3 and 4, are not applicable to the procurement; and~~

~~(3) (2) if any federal funds are used in developing or constructing the light rail transit project, any provisions in sections 161.3410 to 161.3426 that are inconsistent with, or prohibited by, any federal law, regulation, or other requirement are not applicable to the procurement.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 14. Minnesota Statutes 2022, section 473.3997, is amended to read:

473.3997 FEDERAL FUNDING; LIGHT RAIL TRANSIT.

(a) Upon completion of the alternatives analysis and draft environmental impact statement, and selection of the locally preferred alternative, for each light rail transit facility, the responsible authority may prepare an application for federal assistance for the light rail transit facility. ~~If the commissioner is the responsible authority,~~ The application must be reviewed and approved by the Metropolitan Council before it is submitted by the commissioner. In reviewing the application the council must consider the operating cost estimate developed under section 473.3994, subdivision 9.

(b) Except for the designated responsible authority for a particular light rail transit facility, no political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 15. Minnesota Statutes 2022, section 473.405, subdivision 4, is amended to read:

Subd. 4. **Transit systems.** Except as provided by sections 174.48 and 473.3993 to 473.3997, the council may engineer, construct, equip, and operate transit and paratransit systems, projects, or any parts thereof, including road lanes or rights-of-way, terminal facilities, maintenance and garage facilities, ramps, parking areas, and any other facilities useful for or related to any public transit or paratransit system or project. The council may sell or lease naming rights with regard to light rail transit stations and apply revenues from sales or leases to light rail transit operating costs.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 16. **[473.4065] TRANSIT RIDER ACTIVITY.**

Subdivision 1. Code of conduct; establishment. (a) The council must adopt a rider code of conduct for transit passengers. The council must post a copy of the code of conduct in a prominent location at each light rail transit station, bus rapid transit station, and transit center.

(b) The code of conduct must not prohibit sleeping in a manner that does not otherwise violate conduct requirements.

Subd. 2. Code of conduct; violations. An authorized transit representative, as defined in section 609.855, subdivision 7, paragraph (g), may order a person to depart a transit vehicle or transit facility for a violation of the rider code of conduct established under subdivision 1 if the person continues to act in violation of the code of conduct after being warned once to stop.

Subd. 3. Paid fare zones. The council must establish and clearly designate paid fare zones at each light rail transit station where the council utilizes self-service barrier-free fare collection.

Subd. 4. Light rail transit facility monitoring. (a) The council must implement and maintain public safety monitoring and response activities at light rail transit facilities that include:

(1) placement of security cameras and sufficient associated lighting that provide live coverage for (i) the entire area at each light rail transit station, and (ii) each light rail transit vehicle;

(2) installation of a public address system at each light rail transit station that is capable of providing information and warnings to passengers; and

(3) real-time active monitoring of passenger activity and potential violations throughout the light rail transit system.

(b) The monitoring activities must include timely maintenance or replacement of malfunctioning cameras or public address systems.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. **[473.4075] TRANSIT RIDER INVESTMENT PROGRAM.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms and the terms defined in section 609.855, subdivision 7, have the meanings given.

(b) "Transit official" means an individual who is authorized as TRIP personnel, a community service officer, or a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

(c) "TRIP personnel" means persons specifically authorized by the council for the TRIP program under this section, including but not limited to fare inspection and enforcement, who are not peace officers or community service officers.

(d) "TRIP" or "program" means the transit rider investment program established in this section.

Subd. 2. **Program established.** (a) Subject to available funds, the council must implement a transit rider investment program that provides for TRIP personnel deployment, fare payment inspection, administrative citation issuance, rider education and assistance, and improvements to the transit experience.

(b) As part of program implementation, the council must:

(1) adopt a resolution that establishes the program and establishes fine amounts in accordance with subdivision 8;

(2) establish policies and procedures that govern authorizing and training TRIP personnel, TRIP personnel uniforms, issuing an administrative citation, and contesting an administrative citation;

(3) consult with stakeholders on the design of the program;

(4) develop a TRIP personnel recruitment plan that includes informing and supporting potential applicants who are:

(i) representative of transit users; and

(ii) from cultural, ethnic, and racial communities that are historically underrepresented in state or local public service;

(5) develop a TRIP personnel strategic deployment plan that:

(i) requires teams of at least two individuals; and

(ii) targets deployment to times and locations with identified concentrations of activity that are subject to administrative citations, other citations, or arrest or that negatively impact the rider experience; and

(6) provide for training to peace officers who provide law enforcement assistance under an agreement with the council on the program and issuance of administrative citations.

Subd. 3. **TRIP manager.** The council must appoint a TRIP manager to manage the program. The TRIP manager must have managerial experience in social services, transit service, or law enforcement. The TRIP manager is a TRIP personnel staff member.

Subd. 4. **TRIP personnel; duties; requirements.** (a) The duties of the TRIP personnel include:

(1) monitoring and responding to passenger activity including:

(i) educating passengers and specifying expectations related to the council's rider code of conduct; and

(ii) assisting passengers in obtaining social services, such as through information and referrals;

(2) acting as a liaison to social service agencies;

(3) providing information to passengers on using the transit system;

(4) providing direct navigation assistance and accompaniment to passengers who have a disability, are elderly, or request enhanced personal aid;

(5) performing fare payment inspections;

(6) issuing administrative citations as provided in subdivision 6; and

(7) obtaining assistance from peace officers or community service officers as necessary.

(b) An individual who is authorized as TRIP personnel must be an employee of the council and must wear the uniform as established by the council at all times when on duty.

Subd. 5. **TRIP personnel; training.** Training for TRIP personnel must include the following topics:

(1) early warning techniques, crisis intervention, conflict de-escalation, and conflict resolution;

(2) identification of persons likely in need of social services;

(3) locally available social service providers, including services for homelessness, mental health, and addiction;

(4) policies and procedures for administrative citations; and

(5) administration of opiate antagonists in a manner that meets the requirements under section 151.37, subdivision 12.

Subd. 6. **Administrative citations; authority; issuance.** (a) A transit official has the exclusive authority to issue an administrative citation to a person who commits a violation under section 609.855, subdivision 1 or 3.

(b) An administrative citation must include notification that the person has the right to contest the citation, basic procedures for contesting the citation, and information on the timeline and consequences for failure to contest the citation or pay the fine.

(c) The council must not mandate or suggest a quota for the issuance of administrative citations under this section.

(d) Issuance and resolution of an administrative citation is a bar to prosecution under section 609.855, subdivision 1 or 3, or for any other violation arising from the same conduct.

Subd. 7. **Administrative citations; disposition.** (a) A person who commits a violation under section 609.855, subdivision 1 or 3, and is issued an administrative citation under this section must, within 90 days of issuance, pay the fine as specified or contest the citation. A person who fails to either pay the fine or contest the citation within the specified period is considered to have waived the contested citation process and is subject to collections.

(b) The council must provide a civil process for a person to contest the administrative citation before a neutral third party. The council may employ a council employee not associated with its transit operations to hear and rule on challenges to administrative citations or may contract with another unit of government or a private entity to provide the service.

(c) The council may contract with credit bureaus, public and private collection agencies, the Department of Revenue, and other public or private entities providing collection services as necessary for the collection of fine debts under this section. As determined by the council, collection costs are added to the debts referred to a public or private collection entity for collection. Collection costs include the fees of the collection entity and may include, if separately provided, skip tracing fees, credit bureau reporting charges, and fees assessed by any public entity for obtaining information necessary for debt collection. If the collection entity collects an amount less than the total due, the payment is applied proportionally to collection costs and the underlying debt.

Subd. 8. **Administrative citations; penalties.** (a) The amount of a fine under this section must be set at no less than \$35 and no more than \$100.

(b) Subject to paragraph (a), the council may adopt a graduated structure that increases the fine amount for second and subsequent violations.

(c) The council may adopt an alternative resolution procedure under which a person may resolve an administrative citation in lieu of paying a fine by complying with terms established by the council for community service, prepayment of future transit fares, or both. The alternative resolution procedure must be available only to a person who has committed a violation under section 609.855, subdivision 1 or 3, for the first time, unless the person demonstrates financial hardship under criteria established by the council.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, except that subdivisions 1 and 3 are effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 18. **[473.4077] LEGISLATIVE REPORT; TRANSIT SAFETY AND RIDER EXPERIENCE.**

Subdivision 1. **Definitions.** For purposes of this section, the terms defined in section 473.4075 have the meanings given.

Subd. 2. **Legislative report.** (a) Annually by February 15, the council must submit a report on transit safety and rider experience to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

(1) provide an overview of transit safety issues and actions taken by the council to improve safety, including improvements made to equipment and infrastructure;

(2) provide an overview of the rider code of conduct and measures required under section 473.4065;

(3) provide an overview of the transit rider investment program under section 473.4075 and the program's structure and implementation;

(4) provide an overview of the activities of transit rider investment program personnel, including specifically describing the activities of uniformed transit safety officials;

(5) provide a description of all policies adopted pursuant to section 473.4075, the need for each policy, and a copy of each policy;

(6) if the council adopted an alternative resolution procedure pursuant to section 473.4075, subdivision 5, provide:

(i) a description of that procedure;

(ii) the criteria used to determine financial hardship; and

(iii) for each of the previous three calendar years, how frequently the procedure was used, the number of community service hours performed, and the total amount paid as prepayment of transit fares;

(7) for each of the previous three calendar years:

(i) identify the number of fare compliance inspections that were completed including the total number and the number as a percentage of total rides;

(ii) state the number of warnings and citations issued by the Metro Transit Police Department and transit agents, including a breakdown of which type of officer or official issued the citation, the statutory authority for issuing the warning or citation, the reason given for each warning or citation issued, and the total number of times each reason was given;

(iii) state the number of administrative citations that were appealed pursuant to section 473.4075, the number of those citations that were dismissed on appeal, and a breakdown of the reasons for dismissal;

(iv) include data and statistics on crime rates occurring on public transit vehicles and surrounding transit stops and stations;

(v) state the number of peace officers employed by the Metro Transit Police Department;

(vi) state the average number of peace officers employed by the Metro Transit Police Department; and

(vii) state the number of uniformed transit safety officials and community service officers who served as transit agents;

(8) analyze impacts of the transit rider investment program on fare compliance and customer experience for riders, including rates of fare violations; and

(9) make recommendations on the following:

(i) changes to the administrative citation program; and

(ii) methods to improve safety on public transit and at transit stops and stations.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 19. **[473.453] COMPLETE BIDDING REQUIREMENTS; LEGISLATIVE REPORT.**

Notwithstanding the provisions of sections 471.345 and 473.3994, if the Metropolitan Council is the responsible authority of a transit project with a total project cost of greater than \$50,000,000, the council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy at least 30 days before bidding commences if the council's project specifications are incomplete or subject to significant additions. The notification must include the council's reasons for incomplete project specifications or the reasons why the significant project additions are not included in the bidding process.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 20. **[473.454] CONTINGENCY PLANS AND RESERVE; REPORT REQUIRED.**

(a) Notwithstanding the provisions of sections 471.345 and 473.3994, a responsible authority must establish formal contingency plans for temporarily or permanently stopping work if:

(1) a light rail transit project will not be completed within a year of its scheduled completion date;

(2) total expenditures on the project to date are anticipated to increase by ten percent above the most recent cost estimate; or

(3) any of the responsible authority's civil contractors submits a schedule update with a delay of greater than six months from the most recent estimated completion date.

(b) A contingency plan created under this section must evaluate:

(1) how the responsible authority will address any increases to the total project cost;

(2) the impact to any delay to the responsible authority's contingency budget reserves;

(3) the effect on existing contractual obligations; and

(4) a new baseline schedule for completion of the project.

Within 30 days of the contingency plan being created, the responsible authority must submit the contingency plan to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(c) Notwithstanding any provision of law to the contrary, if a responsible authority applies for grants from the Federal Transit Administration totaling more than \$50,000,000 and the Federal Transit Administration institutes an evaluation of the responsible party's financial capacity, the responsible authority must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must be submitted to the legislature within 30 days of the Federal Transit Administration initiating the review. The report must detail how the responsible authority plans to provide sufficient funding for unexpected cost overruns and which local authority would be responsible for providing the additional funding if necessary.

(d) A responsible authority may not adopt changes to design or construction plans for a light rail transit project without establishing a contingency plan under this section if the responsible authority:

- (1) has insufficient funds to complete the light rail transit project; or
- (2) has insufficient funds to halt the light rail transit project.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 21. [473.455] CONTRACT SCHEDULE REQUIREMENTS; REPORT REQUIRED

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Subdivision 1. **Schedule agreement required.** (a) Notwithstanding the provisions of sections 471.345 and 473.3994, if the council is the responsible authority for a light rail transit project, any agreement between the council and a contractor with respect to constructing any portion of a light rail transit project must contain a preliminary construction schedule agreement and a proposed general baseline schedule.

(b) If the council is the responsible authority, the council must consider whether to approve a preliminary construction schedule. A preliminary construction schedule agreement must contain:

- (1) contractual milestones needed to complete the project within the required interim and final completion dates;
- (2) a schedule for the first 180 days of work under the contract; and
- (3) an initial draft baseline schedule that forms the basis of a general baseline schedule proposed in paragraph (c).

(c) Upon approval by the council of a preliminary construction schedule, the contractor and the council must evaluate the initial general baseline schedule set forth in paragraph (b), clause (3), as the basis for the proposed general baseline schedule. The proposed general baseline schedule must

establish how the contractor plans to complete all contracted work for the light rail transit project and include a detailed scope of work that includes but is not limited to a framework that assigns costs and resources for each specifically scheduled task.

(d) If the council is the responsible authority and approves the proposed general baseline schedule with respect to constructing any portion of a light rail transit project, the contractor must submit monthly written status reports to the council. Any late, repeat, or incomplete submissions by the contractor are considered a nonexcusable delay and entitles the council to stop completed work payments under subdivision 4.

Subd. 2. **Prohibition.** If the council is the responsible authority for a light rail transit project, construction cannot begin without an accepted general baseline schedule by both the council and the contractor under subdivision 1, paragraph (c). The council and the contractor must approve the preliminary construction schedule before establishing and approving a proposed general baseline schedule.

Subd. 3. **Conditional approval.** If the council is the responsible authority for a light rail transit project and the contractor proposes revision to either an approved preliminary construction schedule or an accepted general baseline schedule under subdivision 1, paragraph (d), the council must decide whether to approve the proposed revision before issuing any further completed work payment to the contractor. If the council rejects the proposed revision, the council must immediately suspend payments to the contractor.

Subd. 4. **Enforcement.** An agreement between the council and the contractor with respect to constructing any portion of a light rail transit project must include provisions to allow the council to withhold payments for completed work if the contractor is delinquent under the general baseline schedule requirements in subdivision 1, paragraph (c), and for conditional approval of construction as provided in subdivision 3. Withheld payments under this subdivision must be greater than five percent and less than ten percent of the total payment requested by the contractor.

Subd. 5. **Report required.** (a) If the council is the responsible authority and a preliminary construction schedule and a general baseline schedule are approved for constructing a portion of a light rail project, the council must submit the preliminary construction schedule and general baseline schedule to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 30 days.

(b) If the council is the responsible authority, and no agreement can be reached on a general baseline schedule under subdivision 1, paragraph (c), the council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 30 days on the barriers facing approval of the general baseline construction schedule.

(c) If the council is the responsible authority and receives notification of a proposed revision to either the preliminary construction schedule or general baseline schedule under subdivision 3, the council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 14 days of the proposed revision on the estimated impact on the project completion date and total project cost from the proposed revision. If the council rejects the proposed revision, the council must notify the chairs and ranking minority

members of the legislative committees with jurisdiction over transportation finance and policy within seven days of rejection.

(d) If the council is the responsible authority and withholds completed work payments greater than \$50,000 from a contractor under subdivision 4, the council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 14 days on the amount withheld, the reasons for withholding payment, and the steps needed to address the delay.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 22. [473.456] PEER REVIEW FOR CERTAIN PROJECT ELEMENTS; LEGISLATIVE REPORTS.

(a) For purposes of this section, the term "value analysis" has the meaning given in section 174.15, subdivision 3, and the term "value engineering proposal" has the meaning given in section 174.15, subdivision 4.

(b) Notwithstanding any law to the contrary, if the Metropolitan Council is the responsible authority for a light rail transit project, the council must establish a multiparty peer review application to initiate a multiparty peer review process with the Department of Transportation and any counties within which a transit project is to be operated. The multiparty peer review application must be filed within 180 days of the start date of the contract, and every 90 days thereafter until the project is completed. The commissioner of transportation must review the multiparty peer review application and determine whether to initiate a multiparty peer review. In determining whether to initiate a peer review, the commissioner must apply value analysis to either (1) the entirety of the light rail transit project, (2) a project element at risk of delay or high costs, or (3) any new or substantial work proposed after civil construction bidding was completed.

(c) If the commissioner of transportation determines a value analysis is appropriate after reviewing the multiparty peer review application or if the council estimates a project element will exceed more than \$20,000,000, the multiparty peer review must convene and produce a value engineering proposal report. The value engineering proposal report must be issued by the multiparty peer review within six months after the multiparty peer review is formed. In addition to the evaluation under section 174.15, subdivision 4, the report must analyze:

- (1) improvements or efficiencies in construction methods;
- (2) improvements to the change order process;
- (3) an evaluation of contractor oversight and best practices;
- (4) improvements or efficiencies in the procurement process; and
- (5) any contractual issues arising from the transit project.

(d) With existing resources, the council is responsible for the costs of conducting and administering the peer review and value engineering proposal.

(e) If a value engineering proposal report is submitted under this section, the report must be submitted within 30 days to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 23. **[473.46] PROJECT COMPLETION DELAY NOTIFICATION REQUIREMENT.**

(a) Notwithstanding the requirements in Laws 2022, chapter 39, section 2, the responsible authority for a light rail transit project must provide status updates on the light rail project to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The status reports must be provided biannually by January 1 and July 1 and must include:

- (1) total expenditures on the project during the previous three months as compared to projections;
- (2) total expenditures on the project during the next three-, six-, and nine-month intervals;
- (3) total expenditures on the project to date;
- (4) the total project cost estimate; and
- (5) any change in the date of anticipated project completion.

(b) The responsible authority must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within seven calendar days when:

- (1) the authority is deliberating whether a delay in the light rail project completion date of three months or more beyond the estimated completion date is likely to occur; and
- (2) the authority is deliberating whether an increase to the total light rail project cost is anticipated to increase by \$50,000,000 or five percent or more above the most recent cost estimate, whichever is less.

(c) A responsible authority providing a status report under this section must initiate a multiparty peer review as provided under section 473.456 and conduct separate value engineering studies for individual project elements expected to cause the delay or increase in project cost within 30 days of filing the status report to the legislature.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 24. **[473.461] SETTLEMENT EXPENSES; LEGISLATIVE REPORT.**

If the council is the responsible authority and enters into a settlement agreement with a contractor in association with the construction of a light rail transit project, the metropolitan council must submit a settlement expenditure notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within 21 calendar days. The settlement expenditure notification must include:

- (1) the terms of the settlement agreement;
- (2) the total expenditure of the settlement agreement;
- (3) whether the settlement agreement will lengthen the timeline for construction of the light rail project;
- (4) whether the settlement agreement resolves all outstanding disputes between the council and the contractor;
- (5) whether the settlement agreement increases estimated project expenses and costs; and
- (6) whether the settlement agreement requires the council to participate in alternative dispute resolution.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 25. Minnesota Statutes 2022, section 473.859, is amended by adding a subdivision to read:

Subd. 7. **Climate action plan.** The council must specify how the information in section 473.146, subdivision 5, must be incorporated into comprehensive plan content.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 26. Minnesota Statutes 2022, section 609.855, subdivision 1, is amended to read:

Subdivision 1. **Unlawfully obtaining services; petty misdemeanor.** (a) A person is guilty of a petty misdemeanor who intentionally obtains or attempts to obtain service for himself, herself, or another person from a provider of public transit or from a public conveyance by doing any of the following:

- (1) occupies or rides in any public transit vehicle without paying the applicable fare or otherwise obtaining the consent of the transit provider including:
 - (i) the use of a reduced fare when a person is not eligible for the fare; or
 - (ii) the use of a fare medium issued solely for the use of a particular individual by another individual;

(2) presents a falsified, counterfeit, photocopied, or other deceptively manipulated fare medium as fare payment or proof of fare payment;

(3) sells, provides, copies, reproduces, or creates any version of any fare medium without the consent of the transit provider; or

(4) puts or attempts to put any of the following into any fare box, pass reader, ticket vending machine, or other fare collection equipment of a transit provider:

(i) papers, articles, instruments, or items other than fare media or currency; or

(ii) a fare medium that is not valid for the place or time at, or the manner in, which it is used.

(b) Where self-service barrier-free fare collection is utilized by a public transit provider, it is a violation of this subdivision to intentionally fail to exhibit proof of fare payment upon the request of an authorized transit representative when entering, riding upon, or leaving a transit vehicle or when present in a designated paid fare zone located in a transit facility.

(c) A person who violates this subdivision must pay a fine of no more than \$10.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 27. Minnesota Statutes 2022, section 609.855, subdivision 3, is amended to read:

Subd. 3. **Prohibited activities; petty misdemeanor.** (a) ~~A person is guilty of a misdemeanor who, while riding in a vehicle providing public transit service:~~

~~(1) operates a radio, television, tape player, electronic musical instrument, or other electronic device, other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;~~

~~(2) smokes or carries lighted smoking paraphernalia;~~

~~(3) consumes food or beverages, except when authorized by the operator or other official of the transit system;~~

~~(4) (a) A person who throws or deposits litter; or~~ while riding in a vehicle providing public transit service is guilty of a petty misdemeanor.

~~(5) carries or is in control of an animal without the operator's consent.~~

(b) A person is guilty of a violation of this subdivision only if the person continues to act in violation of this subdivision after being warned once by an authorized transit representative to stop the conduct.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 28. Minnesota Statutes 2022, section 609.855, is amended by adding a subdivision to read:

Subd. 3a. **Prohibited activities; misdemeanor.** (a) A person who performs any of the following while in a transit vehicle or at a transit facility is guilty of a misdemeanor:

(1) smokes, as defined in section 144.413, subdivision 4;

(2) urinates or defecates;

(3) consumes an alcoholic beverage, as defined in section 340A.101, subdivision 2;

(4) damages a transit vehicle or transit facility in a manner that meets the requirements for criminal damage to property in the fourth degree under section 609.595, subdivision 3;

(5) performs vandalism, defacement, and placement of graffiti as defined in section 617.90, subdivision 1; or

(6) engages in disorderly conduct as specified in section 609.72, subdivision 1, clause (3).

(b) A peace officer, as defined in section 626.84, subdivision 1, paragraph (c), may order a person to depart a transit vehicle or transit facility for a violation under paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 29. Minnesota Statutes 2022, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit ~~provider~~ representative under this section.

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

Sec. 30. Laws 2021, First Special Session chapter 5, article 4, section 143, is amended to read:

Sec. 143. STUDY ON POST-COVID PANDEMIC PUBLIC TRANSPORTATION.

(a) ~~From funds specified under Minnesota Statutes, section 161.53, paragraph (b), the commissioner of transportation~~ Using existing resources, the Metropolitan Council must arrange and pay for a study by the Center for Transportation Studies at the University of Minnesota that examines public transportation after the COVID-19 pandemic is substantially curtailed in the United States. At a minimum, the study must:

(1) focus primarily on transit service ~~for commuters in~~ throughout the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) specifically review Northstar Commuter Rail and commuter-oriented transit service by the Metropolitan Council and by the suburban transit providers; and

(3) provide analysis and projections for the public transit system in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, on anticipated changes in:

(i) ridership;

(ii) demand for different modes and forms of active and public transportation;

(iii) transit service levels and features;

(iv) revenue and expenditures; and

(v) long-term impacts.

(b) By ~~February~~ October 1, 2023 ~~2024~~, the ~~commissioner~~ chair of the Metropolitan Council must provide a copy of the study to the members of the legislative committees with jurisdiction over transportation policy and finance.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 31. Laws 2022, chapter 39, section 2, is amended to read:

Sec. 2. SOUTHWEST LIGHT RAIL TRANSIT; EXPENDITURES AND SCHEDULE.

(a) Annually by January 1 and July 1, the Metropolitan Council must provide status updates on the Southwest light rail transit project to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. Each status update must include:

- (1) total expenditures on the project during the previous six months as compared to projections;
- (2) total expenditures on the project anticipated over the next six months; ~~and~~
- (3) total expenditures on the project to date;
- (4) the total project cost estimate; and
- (5) any change in the date of anticipated project completion.

(b) The Metropolitan Council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within seven calendar days of making a determination that:

- (1) the anticipated Southwest light rail project completion date is delayed by six months or more beyond the estimated completion date determined as of the effective date of this section;
- (2) the anticipated Southwest light rail project completion date is delayed by six months or more beyond the most recent estimated completion date;
- (3) the total Southwest light rail project cost is anticipated to increase by five percent or more above the project cost estimate determined as of the effective date of this section; or
- (4) the total Southwest light rail project cost is anticipated to increase by five percent or more above the most recent cost estimate.

(c) On a monthly basis and at least 30 days prior to making an expenditure for the Southwest light rail transit project, the Metropolitan Council must submit an expenditure notification for review and comment to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the members of the Legislative Commission on Metropolitan Government. A notification must include the following for each expenditure or for a subtotal of related expenditures:

- (1) the expenditure or subtotal amount;
- (2) the specific standard cost category; and
- (3) identification or a brief summary of the nature of the expenditure.

(d) It is the intent of the legislature that the requirements in paragraph (c) are repealed following enactment of substantive changes to the governance structure of the Metropolitan Council.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to expenditures made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 32. **METROPOLITAN COUNCIL CHARTER COMMISSION.**

Subdivision 1. **Appointments.** Within 30 days of the effective date of this section, the chief judge of Ramsey County shall appoint 11 individuals from the counties under the jurisdiction of the Metropolitan Council who have expertise in regional governance and the law to serve as members of the charter commission.

Subd. 2. **Terms.** Members of the charter commission shall hold office until February 15, 2024. Vacancies shall be filled by the appointing authority. Appointments shall be made by filing with the Metropolitan Council. An appointee shall file acceptance of the appointment with the Metropolitan Council within ten days or be considered to have declined the appointment.

Subd. 3. **Chair; rules.** The charter commission shall meet within 30 days after the initial appointment, elect a chair, and establish rules, including quorum requirements, for its operation and procedures.

Subd. 4. **Expenses and administration.** The members of the charter commission shall receive no compensation except reimbursement for expenses actually incurred in the course of their duties. The Metropolitan Council shall make an appropriation to the charter commission to be used to employ research and clerical assistance, for supplies, and to meet expenses considered necessary by the charter commission. The charter commission shall have the right to request and receive assistance from the Metropolitan Council staff.

Subd. 5. **Powers and duties.** The charter commission shall frame a proposed charter to provide for the governance structure of the Metropolitan Council. In framing the proposed charter, the charter commission may consult with external experts and scholars. The charter commission shall review and analyze the existing powers, authorities, and responsibilities of the Metropolitan Council, and notwithstanding any law to the contrary, determine that the proposed charter provisions include modifications to existing authority and governance, including the requirement that the Metropolitan Council members be elected. The charter commission shall determine when and the process by which the proposed charter is submitted to the voters affected by the charter.

Subd. 6. **Report.** The charter commission shall provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over Metropolitan Council governance by February 15, 2024. The report shall contain the proposed charter, the process and timing of submitting the proposed charter to the voters, and necessary amendments to state law to effectuate the proposed charter.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 33. **MASS TRANSIT REPORTS; RIDERSHIP; CRIME.**

(a) The Metropolitan Council must post on the council's website a monthly report, including ridership statistics for each guideway and busway in revenue operation. In each report, the council must also include the ridership projections made at the time of the full funding grant agreement for each guideway and busway. The council must post each monthly report within 60 days after the end of that month. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

(b) The council must post on the council's website a quarterly report, including crime statistics for crimes occurring on a light rail transit vehicle, bus, commuter rail car, or at any transit platform, stop, or facility. The report must break down the data by mode of transit and type of crime. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

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

Sec. 34. **METRO MOBILITY ENHANCEMENT PILOT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "pilot program" means the Metro Mobility enhancement pilot program established in this section.

Subd. 2. **Establishment.** Subject to available funds, the Metropolitan Council must implement a pilot program to enhance the existing service levels of Metro Mobility under Minnesota Statutes, section 473.386.

Subd. 3. **Requirements.** The pilot program must:

(1) commence by September 1, 2023, and operate until December 31, 2025;

(2) provide for advanced scheduling of enhanced Metro Mobility service;

(3) to the extent feasible, provide service outside of the current Metro Mobility hours of service, as follows:

(i) on weekdays from 6:00 a.m. to 10:00 p.m.;

(ii) on Saturdays from 7:00 a.m. to 11:00 p.m.; and

(iii) on Sundays from 7:00 a.m. to 10:00 p.m.;

(4) cover the entirety of the geographic area specified in Minnesota Statutes, section 473.386, subdivision 3, clause (9); and

(5) establish rider eligibility and fares in a manner that is substantially comparable to the requirements under Metro Mobility.

Subd. 4. **Legislative report.** By February 1, 2026, the Metropolitan Council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the pilot program. At a minimum, the report must:

(1) summarize pilot program implementation;

(2) provide a fiscal review that identifies uses of funds;

(3) analyze results under the pilot program, including improvements to service and customer experience;

(4) evaluate accessibility impacts and constraints for riders who use a wheelchair or otherwise require specialized equipment or service;

(5) consider service models, technologies, partnership models, and anticipated industry changes;

(6) identify findings, practices, and considerations for replication in communities throughout the state;

(7) review any modifications under consideration, planned, or implemented for the Metro Mobility program; and

(8) make any recommendations on service improvements related to Metro Mobility, including fiscal implications.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 35. **METROPOLITAN COUNCIL; LAND USE STUDY.**

Subdivision 1. **Definitions.** The definitions provided in Minnesota Statutes, section 473.121, apply to this section.

Subd. 2. **Metropolitan land use study.** The Metropolitan Council must conduct and complete a metropolitan land use and transportation policy study on or before June 30, 2024, that analyzes the degree to which current land use and transportation policies in the metropolitan area support or hinder state and local governmental unit transportation, environmental, greenhouse gas emissions, and equity goals. The study must be used to inform the 2050 comprehensive development guide for the metropolitan area.

Subd. 3. **Study contents.** The study under this section must include:

(1) a comparison of current land use policies in the metropolitan area with alternative growth development scenarios, including efficient land use and compact growth;

(2) a determination of the costs to local and regional metropolitan area government services to implement efficient land use policies, including the costs to construct and maintain transportation and water infrastructure and emergency services;

(3) an analysis of how implementation of efficient land use policies would reduce future costs to local and regional metropolitan area government with regard to transportation and water infrastructure and emergency services;

(4) an assessment of transportation and related infrastructure necessary to facilitate efficient land use policies, including but not limited to estimations of road lane miles, utility miles, and land acreage necessary to facilitate such policies;

(5) an analysis of sewer access and water access charges and policies, including an analysis of the differences in the charges between property classifications and charges in urban, suburban, and rural areas;

(6) the estimated impact implementation of efficient land use policies would have on vehicle miles traveled, access to jobs in essential services, transit viability, and commute modal share in the metropolitan area; and

(7) any other data or analyses the Metropolitan Council deems relevant.

Subd. 4. **Report.** The Metropolitan Council must submit a copy of the study under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over local government and transportation policy and finance by February 1, 2025.

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

Sec. 36. **TRANSIT SERVICE INTERVENTION PROJECT.**

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

(b) "Council" means the Metropolitan Council established under Minnesota Statutes, chapter 473.

(c) "Intervention project" means the transit service intervention project established in this section.

Subd. 2. **Establishment.** A transit service intervention project is established to provide coordinated, high-visibility interventions on light rail transit lines that provide for enhanced social services outreach and engagement, code of conduct regulation, and law enforcement.

Subd. 3. **Project management.** The council must implement the intervention project.

Subd. 4. **Participating organizations.** The council must seek the participation of the following entities to provide for coordination on the intervention project:

- (1) the Department of Human Services;
- (2) the Department of Public Safety;
- (3) the Minnesota State Patrol;
- (4) the Metropolitan Council;
- (5) the Metro Transit Police Department;
- (6) each county within which a light rail transit line operates;
- (7) each city within which a light rail transit line operates;
- (8) the Metropolitan Airports Commission;
- (9) the National Alliance on Mental Illness Minnesota;
- (10) the exclusive representative of transit vehicle operators; and

(11) other interested community-based social service organizations.

Subd. 5. **Duties.** (a) In collaboration with the participating organizations under subdivision 4, the council must:

(1) establish social services intervention teams that consist of social services personnel and personnel from nonprofit organizations having mental health services or support capacity to perform on-site social services engagement with:

(i) transit riders experiencing homelessness;

(ii) transit riders with substance use disorders or mental or behavioral health disorders; or

(iii) a combination of items (i) and (ii);

(2) establish coordinated intervention teams that consist of personnel under clause (1), community service officers, and peace officers;

(3) implement interventions in two phases as follows:

(i) by June 1, 2023, and for a period of three weeks, deploy the social services intervention teams on a mobile basis on light rail transit lines and facilities; and

(ii) beginning at the conclusion of the period under item (i), and for a period of at least nine weeks, deploy the coordinated intervention teams on a mobile basis on light rail transit lines and facilities, utilizing both social services and law enforcement partners; and

(4) evaluate impacts of the intervention teams related to social services outreach, code of conduct violations, and rider experience.

(b) Social services engagement under paragraph (a) includes but is not limited to providing outreach, preliminary assessment and screening, information and resource sharing, referral or connections to service providers, assistance in arranging for services, and precrisis response.

Subd. 6. **Administration.** Using existing resources, the council must provide staff assistance and administrative support for the project.

Subd. 7. **Reports.** By the 15th of each month, the council must submit a status report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, each report must include:

(1) a summary of activities under the intervention project;

(2) a fiscal review of expenditures; and

(3) analysis of impacts and outcomes related to social services outreach, violations under Minnesota Statutes, sections 473.4065 and 609.855, and rider experience.

Subd. 8. **Expiration.** This section expires June 30, 2024.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 7

NONMOTORIZED AND ACTIVE TRANSPORTATION

Section 1. Minnesota Statutes 2022, section 123B.90, subdivision 2, is amended to read:

Subd. 2. **Student training.** (a) Each district must provide public school pupils enrolled in kindergarten through grade 10 with age-appropriate school bus safety training, as described in this section, of the following concepts:

- (1) transportation by school bus is a privilege and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing; and
- (7) school bus evacuation.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in kindergarten through grade 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a).

(c) Students enrolled in kindergarten through grade 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training competencies by the end of the third week of school. Students enrolled in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school and have not previously received school bus safety training must receive the training or receive bus safety instructional materials by the end of the sixth week of school. Students taking driver's training instructional classes must receive training in the laws and proper procedures when operating a motor vehicle in the vicinity of a school bus as required by section 169.446, subdivisions 2 and 3. Students enrolled in kindergarten through grade 10 who enroll in a school after the second week of school and are transported by school bus and have not received training in their previous school district shall undergo school bus safety training or receive bus safety instructional materials within four weeks of the first day of attendance. Upon request of the superintendent of schools, the school transportation safety director in each district must certify to the superintendent that all students transported by school bus within the district have received the school bus safety training according to this section. Upon request of the superintendent of the school district where the nonpublic school is located, the principal or other chief administrator of each nonpublic school must certify to the

school transportation safety director of the district in which the school is located that the school's students transported by school bus at public expense have received training according to this section.

(d) A district and a nonpublic school with students transported by school bus at public expense may provide kindergarten pupils with bus safety training before the first day of school.

~~(e) A district and a nonpublic school with students transported by school bus at public expense may also provide student safety education for bicycling and pedestrian safety, for students enrolled in kindergarten through grade 5.~~

~~(f)~~(e) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus safety training of pupils known to speak English as a second language and pupils with disabilities.

~~(g)~~(f) The district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in kindergarten through grade 3 school bus safety training twice during the school year.

~~(h)~~(g) A district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.

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

Sec. 2. [123B.935] ACTIVE TRANSPORTATION SAFETY TRAINING.

Subdivision 1. Training required. (a) Each district must provide public school pupils enrolled in kindergarten through grade 3 with age-appropriate active transportation safety training. At a minimum, the training must include pedestrian safety, including crossing roads.

(b) Each district must provide public school pupils enrolled in grades 4 through 8 with age-appropriate active transportation safety training. At a minimum, the training must include:

(1) pedestrian safety, including crossing roads safely using the searching left, right, left for vehicles in traffic technique; and

(2) bicycle safety, including relevant traffic laws, use and proper fit of protective headgear, bicycle parts and safety features, and safe biking techniques.

(c) A nonpublic school may provide nonpublic school pupils enrolled in kindergarten through grade 8 with training as specified in paragraphs (a) and (b).

Subd. 2. Deadlines. (a) Students under subdivision 1, paragraph (a), who are enrolled during the first or second week of school and have not previously received active transportation safety training specified in that paragraph must receive the safety training by the end of the third week of school.

(b) Students under subdivision 1, paragraph (b), who are enrolled during the first or second week of school and have not previously received active transportation safety training specified in that paragraph must receive the safety training by the end of the sixth week of school.

(c) Students under subdivision 1, paragraph (a) or (b), who enroll in a school after the second week of school and have not received the appropriate active transportation safety training in their previous school district must undergo the training or receive active transportation safety instructional materials within four weeks of the first day of attendance.

(d) A district and a nonpublic school may provide kindergarten pupils with active transportation safety training before the first day of school.

Subd. 3. **Instruction.** (a) A district may provide active transportation safety training through distance learning.

(b) A district and a nonpublic school must make reasonable accommodations for the active transportation safety training of pupils known to speak English as a second language and pupils with disabilities.

Subd. 4. **Model program.** The commissioner of transportation must maintain a comprehensive collection of active transportation safety training materials that meets the requirements under this section.

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

Sec. 3. Minnesota Statutes 2022, section 160.262, subdivision 3, is amended to read:

Subd. 3. **Cooperation among agencies and governments.** (a) The departments and agencies on the active transportation advisory committee identified in section 174.375 must provide information and advice for the bikeway design guidelines maintained by the commissioner.

(b) The commissioner must provide technical assistance to local units of government in:

(1) local planning and development of bikeways;

(2) establishing connections to state bicycle routes; and

(3) implementing statewide bicycle plans maintained by the commissioner.

(c) The commissioner may cooperate with and enter into agreements with the United States government, any department of the state of Minnesota, any unit of local government, any tribal government, or any public or private corporation in order to effect the purposes of this section.

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

Sec. 4. Minnesota Statutes 2022, section 160.266, subdivision 1b, is amended to read:

Subd. 1b. **State bicycle routes.** The commissioner of transportation must identify state bicycle routes primarily on existing road right-of-way and trails. State bicycle routes must be identified in cooperation with road and trail authorities, including the commissioner of natural resources, and with the advice of the active transportation advisory committee under section 174.375. In a metropolitan area, state bicycle routes must be identified in coordination with the plans and priorities established by metropolitan planning organizations, as defined in United States Code, title 23, section 134.

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

Sec. 5. Minnesota Statutes 2022, section 160.266, subdivision 6, is amended to read:

Subd. 6. **Mississippi River Trail.** The Mississippi River Trail bikeway is designated as a state bicycle route. It must originate at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallel the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha in Wabasha County, Winona in Winona County, and La Crescent in Houston County to Minnesota's boundary with Iowa and there terminate. Where opportunities exist, the bikeway may be designated on both sides of the Mississippi River.

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

Sec. 6. Minnesota Statutes 2022, section 160.266, is amended by adding a subdivision to read:

Subd. 7. **Jim Oberstar Bikeway.** The Jim Oberstar Bikeway is designated as a state bicycle route. It must originate in the city of St. Paul in Ramsey County, then proceed north and east to Duluth in St. Louis County, then proceed north and east along the shore of Lake Superior through Grand Marais in Cook County to Minnesota's boundary with Canada, and there terminate.

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

Sec. 7. Minnesota Statutes 2022, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

~~(1) (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction shall must pass to the left thereof of the other vehicle at a safe distance and shall not again drive is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle;~~

~~(2) (b) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle shall must give way to the right in favor of the overtaking vehicle on audible warning, and shall must not increase the speed of the overtaken vehicle until completely passed by the overtaking vehicle; and.~~

~~(3) (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway shall leave or shoulder must:~~

~~(1) either:~~

~~(i) maintain a safe clearance distance while passing, but in no case less than which must be at least the greater of three feet clearance, when passing the bicycle or individual or one-half the width of the motor vehicle; or~~

~~(ii) completely enter another lane of the roadway while passing; and shall~~

(2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle or individual.

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

Sec. 8. Minnesota Statutes 2022, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb or edge when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or ~~narrow width~~ narrow-width lanes, that make it unsafe to continue along the right hand curb or edge; or;

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

(5) operating in a right-hand turn lane before entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder ~~shall~~ must not ride more than two abreast and ~~shall not impede the normal and reasonable movement of traffic and~~, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, ~~shall~~ must yield the right-of-way to any pedestrian and ~~shall~~ give an audible signal when necessary before overtaking and passing any pedestrian. ~~No~~ A person ~~shall~~ must not ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway ~~shall~~ must (1) give an audible signal a safe distance prior to overtaking a bicycle or individual, (2) leave a safe clearance distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and ~~shall~~ (3) maintain clearance until safely past the overtaken bicycle or individual.

(f) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from the leftmost one-third of a dedicated right-hand turn lane without turning right.

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

Sec. 9. Minnesota Statutes 2022, section 169.222, is amended by adding a subdivision to read:

Subd. 4a. **Stopping requirements.** (a) For purposes of this subdivision, "in the vicinity" means located in an intersection or approaching an intersection in a manner that constitutes a hazard of collision during the time that a bicycle operator would occupy the intersection.

(b) A bicycle operator who approaches a stop sign must slow to a speed that allows for stopping before entering the intersection or the nearest crosswalk. Notwithstanding subdivision 1 and section 169.06, subdivision 4, if there is not a vehicle in the vicinity, the operator may make a turn or proceed through the intersection without stopping.

(c) A bicycle operator who approaches a traffic-control signal with a steady red indication, including a circular red signal or red arrow signal, must slow to a speed that allows for stopping before entering the intersection or the nearest crosswalk. Notwithstanding subdivision 1 and section 169.06, subdivision 5, if there is not a vehicle in the vicinity, the operator:

(1) may make a right-hand turn, or a left-hand turn onto a one-way roadway, without stopping; and

(2) must otherwise perform a complete stop and then may make a turn or proceed through the intersection before the traffic-control signal indication changes to green.

(d) Nothing in this subdivision alters the right-of-way requirements under section 169.20. The provisions under this subdivision do not apply when traffic is controlled by a peace officer or a person authorized to control traffic under section 169.06.

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

Sec. 10. **[174.375] ACTIVE TRANSPORTATION ADVISORY COMMITTEE.**

Subdivision 1. **Committee established; duties.** (a) The commissioner of transportation must establish an active transportation advisory committee. The advisory committee must make recommendations to the commissioner on items related to:

(1) active transportation, including safety, education, and development programs;

(2) the active transportation program under section 174.38; and

(3) the safe routes to school program under section 174.40.

(b) The committee must review and analyze issues and needs relating to active transportation on public rights-of-way and identify solutions and goals for addressing identified issues and needs.

(c) For purposes of this section, "active transportation" includes bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Subd. 2. **Membership.** (a) The advisory committee consists of the members specified in this subdivision.

(b) The commissioner of transportation must appoint up to 18 public members as follows: one member from each of the department's seven greater Minnesota districts; four members from the

department's metropolitan district; and no more than seven members at large. Each of the members at large must represent nonmotorized interests or organizations.

(c) The commissioners of each of the following state agencies must appoint an employee of the agency to serve as a member: administration, education, health, natural resources, public safety, transportation, and pollution control. The chair of the Metropolitan Council must appoint an employee of the council to serve as a member. The director of Explore Minnesota Tourism must appoint an employee of the agency to serve as a member.

(d) The division administrator of the Federal Highway Administration may appoint an employee of the agency to serve as a member.

(e) Each member of the committee serves a four-year term at the pleasure of the appointing authority.

(f) The committee must select a chair from its membership.

Subd. 3. **Meetings; staffing.** (a) The advisory committee must establish a meeting schedule and meet at least annually.

(b) The commissioner of transportation must provide department staff support to the advisory committee.

Subd. 4. **Expenses.** (a) Members of the advisory committee serve without compensation, but members who are not employees of government agencies must be reimbursed for expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.

(b) To provide compensation under paragraph (a), the commissioner of transportation may expend the amount necessary from general fund appropriations.

Subd. 5. **Reports.** The advisory committee must submit an annual report to the commissioner of transportation.

Subd. 6. **Expiration.** The advisory committee expires June 30, 2033.

EFFECTIVE DATE. This section is effective the day following final enactment. The commissioner of transportation must convene the first meeting by October 15, 2023.

Sec. 11. Minnesota Statutes 2022, section 174.38, subdivision 6, is amended to read:

Subd. 6. **Use of funds.** (a) The commissioner must determine permissible uses of financial assistance under this section, which are limited to:

(1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b).

(b) Of the amount made available in each fiscal year, the first \$500,000 is for grants to develop, maintain, and implement active transportation safety curriculum for youth ages five to 14 years old, and if remaining funds are available, for (1) youth ages 15 to 17 years old, (2) adult active transportation safety programs, and (3) adult learn-to-ride programs. The curriculum must include resources for teachers and must meet the model training materials requirements under section 123B.935, subdivision 4.

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

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, 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. Receipts credited to the account are 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. 2. [4.076] ADVISORY COUNCIL ON TRAFFIC SAFETY.

Subdivision 1. **Definition.** For purposes of this section, "advisory council" means the Advisory Council on Traffic Safety established in this section.

Subd. 2. **Establishment.** (a) The Advisory Council on Traffic Safety is established to advise, consult with, assist in planning coordination, and make program recommendations to the commissioners of public safety, transportation, and health on the development and implementation of projects and programs intended to improve traffic safety on all Minnesota road systems.

(b) The advisory council serves as the lead for the state Toward Zero Deaths program.

Subd. 3. **Membership; chair.** (a) The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by a designee from:

- (i) the Office of Traffic Safety in the Department of Public Safety;
- (ii) the Office of Traffic Engineering in the Department of Transportation; and
- (iii) the Injury and Violence Prevention Section in the Department of Health;
- (2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);
- (3) the statewide Toward Zero Deaths coordinator;
- (4) a regional coordinator from the Toward Zero Deaths program;
- (5) the chief of the State Patrol or a designee;
- (6) the state traffic safety engineer in the Department of Transportation or a designee;
- (7) a law enforcement liaison from the Department of Public Safety;
- (8) a representative from the Department of Human Services;
- (9) a representative from the Department of Education;
- (10) a representative from the Council on Disability;
- (11) a representative for Tribal governments;
- (12) a representative from the Center for Transportation Studies at the University of Minnesota;
- (13) a representative from the Minnesota Chiefs of Police Association;
- (14) a representative from the Minnesota Sheriffs' Association;
- (15) a representative from the Minnesota Safety Council;
- (16) a representative from AAA Minnesota;
- (17) a representative from the Minnesota Trucking Association;
- (18) a representative from the Insurance Federation of Minnesota;
- (19) a representative from the Association of Minnesota Counties;
- (20) a representative from the League of Minnesota Cities;
- (21) the American Bar Association State Judicial Outreach Liaison;
- (22) a representative from the City Engineers Association of Minnesota;
- (23) a representative from the Minnesota County Engineers Association;
- (24) a representative from the Bicycle Alliance of Minnesota;

(25) two individuals representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance;

(26) a representative from Minnesota Operation Lifesaver;

(27) a representative from the Minnesota Driver and Traffic Safety Education Association;

(28) a representative from the Minnesota Association for Pupil Transportation;

(29) a representative from the State Trauma Advisory Council;

(30) a person representing metropolitan planning organizations; and

(31) a person representing contractors engaged in construction and maintenance of highways and other infrastructure.

(b) The commissioners of public safety and transportation must jointly appoint the advisory council members under paragraph (a), clauses (11), (25), (30), and (31).

Subd. 4. **Duties.** The advisory council must:

(1) advise the governor and heads of state departments and agencies on policies, programs, and services affecting traffic safety;

(2) advise the appropriate representatives of state departments on the activities of the Toward Zero Deaths program, including but not limited to educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups;

(5) review and comment on all grants dealing with traffic safety and on the development and implementation of state and local traffic safety plans; and

(6) make recommendations on safe road zone safety measures under section 169.065.

Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the administrative and operational aspects of the advisory council's activities. The commissioner of public safety must perform financial management on behalf of the council.

(b) The advisory council must meet no less than four times per year, or more frequently as determined by the chair, a vice chair, or a majority of the council members. The advisory council is subject to chapter 13D.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

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

Sec. 3. Minnesota Statutes 2022, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of debt collection and tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, the judicial branch for purposes of debt collection, and the Department of Natural Resources for purposes of license application administration, and except that the last four digits of the Social Security number must be provided to the Department of Human Services for purposes of recovery of Minnesota health care program benefits paid; ~~and~~

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder; and

(5) race and ethnicity data on driver's license holders and identification card holders under section 171.06, subdivision 3. The Department of Public Safety Office of Traffic Safety is authorized to receive race and ethnicity data from Driver and Vehicle Services for only the purposes of research, evaluation, and public reports.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

EFFECTIVE DATE. This section is effective for driver's license and identification card applications received on or after January 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 13.6905, is amended by adding a subdivision to read:

Subd. 37. **Oil and other hazardous substances transportation data.** (a) Certain data on oil and other hazardous substances transported by railroads are governed by section 219.055, subdivision 8.

(b) Certain data on oil and other hazardous substances transportation incident reviews are governed by section 299A.55, subdivision 5.

Sec. 5. Minnesota Statutes 2022, section 115E.042, subdivision 2, is amended to read:

Subd. 2. **Training.** (a) Each railroad must offer training to each fire department and each local organization for emergency management under section 12.25 having jurisdiction along the route of unit trains. Initial training under this subdivision must be offered to each fire department by June 30, 2016, and routes over which the railroad transports oil or other hazardous substances. Refresher training must be offered to each fire department and local organization for emergency management at least once every three years thereafter after initial training under this subdivision.

(b) The training must address the general hazards of oil and hazardous substances, techniques to assess hazards to the environment and to the safety of responders and the public, factors an incident commander must consider in determining whether to attempt to suppress a fire or to evacuate the public and emergency responders from an area, and other strategies for initial response by local emergency responders. The training must include suggested protocol or practices for local responders to safely accomplish these tasks methods to identify rail cars and hazardous substance contents, responder safety issues, rail response tactics, public notification and evacuation considerations, environmental contamination response, railroad response personnel and resources coordination at an incident, and other protocols and practices for safe initial local response as required under subdivision 4, including the notification requirements and the responsibilities of an incident commander during a rail incident involving oil or other hazardous substances, as provided in subdivisions 3 and 4.

Sec. 6. Minnesota Statutes 2022, section 115E.042, subdivision 3, is amended to read:

Subd. 3. **Emergency response planning; coordination.** Beginning June 30, 2015, (a) Each railroad must communicate at least annually with each county or city applicable emergency manager, safety representatives of railroad employees governed by the Railway Labor Act, and a senior each applicable fire department officer of each fire department having jurisdiction along the route of a unit train routes over which oil or other hazardous substances are transported, in order to:

(1) ensure coordination of emergency response activities between the railroad and local responders;

(2) assist emergency managers in identifying and assessing local rail-specific threats, hazards, and risks; and

(3) assist railroads in obtaining information from emergency managers regarding specific local natural and technical hazards and threats in the local area that may impact rail operations or public safety.

(b) The coordination under paragraph (a), clauses (2) and (3), must include identification of increased risks and potential special responses due to high population concentration, critical local infrastructure, key facilities, significant venues, sensitive natural environments, and other factors identified by railroads, emergency managers, and fire departments.

(c) The commissioner of public safety must compile and make available to railroads a list of applicable emergency managers and applicable fire chiefs, which must include contact information. The commissioner must make biennial updates to the list of emergency managers and fire chiefs and make the list of updated contact information available to railroads.

Sec. 7. Minnesota Statutes 2022, section 115E.042, subdivision 4, is amended to read:

Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain and recover discharged oil or other hazardous substances and to, (2) protect the environment, and (3) assist local public safety officials. Within 15 minutes of a rail incident involving oil or other hazardous substances being discharged or released, a railroad must contact the applicable emergency manager and applicable fire chief having jurisdiction along the route where the incident occurred. After learning of the rail incident involving oil or other hazardous substances, the applicable emergency manager and applicable fire chief must, as soon as practicable, identify and provide contact information of the responsible incident commander to the reporting railroad.

(b) Within 15 minutes of local emergency responder arrival on the scene of a rail incident involving oil or other hazardous substances, a railroad must assist the incident commander to determine the nature of any hazardous substance known to have been released and hazardous substance cargo transported on the train. Assistance must include providing information that identifies the chemical content of the hazardous substance, contact information for the shipper, and instructions for dealing with the release of the material. A railroad may provide information on the hazardous substances transported on the train through the train orders on board the train or by facsimile or electronic transmission.

(c) Within one hour of confirmation of a discharge, a railroad must provide a qualified company employee representative to advise the incident commander, assist in assessing the situation, initiate railroad response actions as needed, and provide advice and recommendations to the incident commander regarding the response. The employee representative may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad.

(d) Within three hours of confirmation of a discharge, a railroad must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

~~(d)~~ (e) Within three hours of confirmation of a discharge, a railroad must provide (1) qualified personnel at a discharge site to assess the discharge and to advise the incident commander, and (2) resources to assist the incident commander with ongoing public safety and scene stabilization.

~~(e)~~ (f) A railroad must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or other hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

- (1) training and caching equipment with local jurisdictions;
- (2) training and caching equipment with a fire mutual-aid group;
- (3) means of an industry cooperative or mutual-aid group;
- (4) deployment of a contractor;
- (5) deployment of a response organization under state contract; or
- (6) other dependable means acceptable to the Pollution Control Agency.

~~(f)~~ (g) Each arrangement under paragraph ~~(e)~~ (f) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

~~(g)~~ (h) Within eight hours of confirmation of a discharge, a railroad must be capable of delivering and deploying containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

- (1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and
- (2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

~~(h)~~ (i) Within 60 hours of confirmation of a discharge, a railroad must be capable of delivering and deploying additional containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst case discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

Sec. 8. Minnesota Statutes 2022, section 115E.042, subdivision 5, is amended to read:

Subd. 5. **Railroad drills.** (a) Each railroad must conduct at least one oil containment, recovery, and sensitive area protection drill exercises involving oil or other hazardous substances as follows: (1) at least one tabletop exercise every year; and (2) at least one full-scale exercise every three years. Each exercise must be at a location, date, and time and in the manner chosen by the Pollution Control Agency, and attended by safety representatives of railroad employees governed by the Railway Labor Act.

(b) To the extent feasible, the commissioner of the Pollution Control Agency must coordinate each exercise with exercises required by federal agencies.

Sec. 9. Minnesota Statutes 2022, section 115E.042, subdivision 6, is amended to read:

Subd. 6. **Prevention and response plans; requirements; submission.** ~~(a) By June 30, 2015, A railroad shall submit the prevention and response plan required under section 115E.04, as necessary to comply with the requirements of this section,~~ to the commissioner of the Pollution Control Agency on a form designated by the commissioner.

~~(b) By June 30 of~~ Every third year following a plan submission under this subdivision, or sooner as provided under section 115E.04, subdivision 2, a railroad must update and resubmit the prevention and response plan to the commissioner.

Sec. 10. **[160.2325] HIGHWAYS FOR HABITAT PROGRAM.**

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

(b) "Integrated roadside vegetation management" means an approach to right-of-way maintenance that combines a variety of techniques with sound ecological principles to establish and maintain safe, healthy, and functional roadsides. Integrated roadside vegetation management includes but is not limited to judicious use of herbicides, spot mowing, biological control, prescribed burning, mechanical tree and brush removal, erosion prevention and treatment, and prevention and treatment of other right-of-way disturbances.

(c) "Program" means the highways for habitat program established in this section.

Subd. 2. **Program establishment.** The commissioner must establish a highways for habitat program to enhance roadsides with pollinator and other wildlife habitat and vegetative buffers.

Subd. 3. **General requirements.** In implementing the program, the commissioner must:

(1) identify and prioritize highways for habitat installations under an integrated roadside vegetation management plan with priority given to new construction and reconstruction;

(2) develop and erect signage, where appropriate, that identifies highways for habitat projects and clearly marks the habitat and management restrictions;

(3) develop training for department personnel and contractors that apply pesticides and manage vegetation on the use of integrated roadside vegetation management and native plant identification;

(4) assess, in consultation with the commissioners of natural resources and agriculture, the categorization and management of noxious weeds to reduce the use of mowing and pesticides;

(5) maintain a website that includes information on program implementation, program funding and expenditures, integrated roadside vegetation management, and related best management practices; and

(6) identify funding sources and develop proposals for ongoing funding for the program.

Subd. 4. **Management standards.** (a) The commissioner, in consultation with the commissioner of natural resources and the Board of Water and Soil Resources, must develop standards and best management practices for integrated roadside vegetation management plans under the program.

(b) To the extent feasible, the standards and best management practices must include:

(1) guidance on seed and vegetation selection based on the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines;

(2) requirements for roadside vegetation management protocols that avoid the use of pollinator lethal insecticides as defined under section 18H.02, subdivision 28a;

(3) practices that are designed to avoid habitat destruction and protect nesting birds, pollinators, and other wildlife, except as necessary to control noxious weeds; and

(4) identification of appropriate right-of-way tracts for wildflower and native habitat establishment.

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

Sec. 11. Minnesota Statutes 2022, section 161.045, subdivision 3, is amended to read:

Subd. 3. **Limitations on spending.** (a) A commissioner must not pay for any of the following with funds from the highway user tax distribution fund or the trunk highway fund:

(1) Bureau of Criminal Apprehension laboratory;

(2) Explore Minnesota Tourism kiosks;

(3) Minnesota Safety Council;

(4) driver education programs;

(5) Emergency Medical Services Regulatory Board;

(6) Mississippi River Parkway Commission;

(7) payments to the Department of Information Technology Services in excess of actual costs incurred for trunk highway purposes;

(8) personnel costs incurred on behalf of the governor's office;

(9) the Office of Aeronautics within the Department of Transportation;

(10) the Office of Transit and Active Transportation within the Department of Transportation;

(11) the Office of Passenger Rail;

(12) purchase and maintenance of soft body armor under section 299A.38;

(13) tourist information centers;

(14) parades, events, or sponsorships of events;

(15) ~~rent and utility expenses for the department's central office building;~~

~~(16)~~ the installation, construction, expansion, or maintenance of public electric vehicle infrastructure;

~~(17)~~ (16) the statewide notification center for excavation services pursuant to chapter 216D; and

~~(18)~~ (17) manufacturing license plates.

(b) The prohibition in paragraph (a) includes all expenses for the named entity or program, including but not limited to payroll, purchased services, supplies, repairs, and equipment. This prohibition on spending applies to any successor entities or programs that are substantially similar to the entity or program named in this subdivision.

Sec. 12. Minnesota Statutes 2022, section 161.088, subdivision 1, is amended to read:

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

(1) "beyond the project limits" means any point that is located:

(i) outside of the project limits;

(ii) along the same trunk highway; and

(iii) within the same region of the state;

(2) "city" means a statutory or home rule charter city;

(3) "greater Minnesota area" means the counties that are not metropolitan counties;

(4) "metropolitan area" means Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington counties;

~~(3)~~ (5) "program" means the corridors of commerce program established in this section; and

~~(4)~~ (6) "project limits" means the estimated construction limits of a project for trunk highway construction, reconstruction, or maintenance, that is a candidate for selection under the corridors of commerce program.

Sec. 13. Minnesota Statutes 2022, section 161.088, subdivision 2, is amended to read:

Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner shall establish a corridors of commerce program for trunk highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

(b) The commissioner may expend funds under the program from appropriations to the commissioner that are:

- (1) made specifically by law for use under this section;
 - (2) at the discretion of the commissioner, made for the budget activities in the state roads program of operations and maintenance, program planning and delivery, or state road construction; and
 - (3) made for the corridor investment management strategy program, unless specified otherwise.
- (c) The commissioner ~~shall~~ must include in the program the cost participation policy for local units of government.
- (d) The commissioner may use up to 17 percent of any appropriation ~~to the program under this section~~ for program delivery and for project scoring, ranking, and selection under subdivision 5.

Sec. 14. Minnesota Statutes 2022, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) The eligibility requirements for projects that can be funded under the program are:

- (1) consistency with the statewide multimodal transportation plan under section 174.03;
 - (2) location of the project on an interregional corridor, for a project located outside of the Department of Transportation metropolitan district;
 - (3) placement into at least one project classification under subdivision 3;
 - (4) project construction work will commence within ~~three~~ four years, or a longer length of time as determined by the commissioner; and
 - (5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data.
- (b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.
- (c) A project may be, but is not required to be, identified in the 20-year state highway investment plan under section 174.03.
- (d) For each project, the commissioner must consider all of the eligibility requirements under paragraph (a). The commissioner is prohibited from considering any eligibility requirement not specified under paragraph (a).
- (e) A project in the greater Minnesota area with a total project cost of more than \$10,000,000 is classified as a greater Minnesota large project. A project in the greater Minnesota area with a total project cost of \$10,000,000 or less is classified as a greater Minnesota small project. All projects in the metropolitan area are classified as metropolitan projects, regardless of the total project cost.

Sec. 15. Minnesota Statutes 2022, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional evaluation criteria.

(b) As part of the project selection process, the commissioner must annually accept recommendations on candidate projects from area transportation partnerships and ~~other interested stakeholders in each Department of Transportation district~~ counties in the metropolitan area as provided by this section. The commissioner must determine the eligibility for each candidate project ~~identified under this paragraph~~ that is submitted as provided in this section. For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph ~~(e)~~ (d).

(c) Before proceeding to the evaluation required under paragraph (d), all project recommendations submitted for consideration must be screened as follows:

(1) for projects in the greater Minnesota area:

(i) the area transportation partnership for the area must review all project recommendations from the partnership's area;

(ii) each area transportation partnership must select up to three large projects and three small projects as defined in subdivision 4 to recommend for advancement to the evaluation process under paragraph (d). Each area transportation partnership may develop its own process to determine which projects to recommend. An area transportation partnership must not include the same segment of road in more than one project; and

(iii) only the projects recommended for evaluation may be developed by the department and scored for selection under paragraph (d). All projects not recommended for evaluation are disqualified from further consideration and must not be evaluated under paragraph (d); and

(2) for projects located in the metropolitan area:

(i) projects located within a county in the metropolitan area must be reviewed by the county board;

(ii) each county board must select up to two projects to recommend for advancement to the evaluation process under paragraph (d). A board must not include the same segment of road in more than one project. Each board may develop its own process to determine which project to recommend; and

(iii) only the projects submitted by the county boards as provided in this paragraph may be developed by the department and scored for selection under paragraph (d). All projects not recommended for evaluation are disqualified from further consideration and must not be evaluated under paragraph (d).

~~(e)~~ (d) Projects must be evaluated using all of the following criteria:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles;

(7) support and consensus for the project among members of the surrounding community;

(8) the time and work needed before construction may begin on the project; ~~and~~

(9) regional balance throughout the state; and

(10) written recommendations submitted as provided by subdivision 5a.

The commissioner must ~~give the criteria in clauses (1) to (8) equal weight in~~ assign 100 selection points to each evaluation criterion set forth in clauses (1) to (8) for the selection process.

(e) The commissioner must select projects so that approximately 50 percent of the available funding is used for projects in the metropolitan area and the other 50 percent is used for projects in the greater Minnesota area. Of funding for projects in the metropolitan area, at least 45 percent must be spent for projects in Anoka, Carver, Chisago, Dakota, Scott, and Washington Counties. Of the funding for projects in the greater Minnesota area, approximately 25 percent must be used for projects classified as greater Minnesota small projects as defined in subdivision 4. When selecting projects in the greater Minnesota area, the commissioner must select projects so that no district has two or more projects more than any other district.

~~(d) The list of all projects evaluated must be made public and must include the score of each project~~ (f) The commissioner must publish information regarding the selection process on the department's website. The information must include:

(1) lists of all projects submitted for consideration and all projects recommended by the screening entities;

(2) the scores and ranking for each project; and

(3) an overview of each selected project, with amounts and sources of funding.

~~(e)~~ (g) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

Sec. 16. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to read:

Subd. 5a. **Recommendations.** After receiving all projects submitted pursuant to subdivision 5 but before making final selections, the commissioner must compile a list of all projects that were submitted and transmit the list to each legislator and to the governor. The list must include the location of each project and a brief description of the work to be done. Within 30 days of the date the project list is transmitted, each legislator and the governor may submit to the commissioner a written recommendation for one project on the list. The commissioner must award one additional point to a project for each written recommendation received for that project.

Sec. 17. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to read:

Subd. 5b. **Project selection period.** Beginning July 1, 2027, and every five years thereafter, area transportation partnerships and the metropolitan counties must submit projects to the commissioner of transportation as provided in subdivision 5. The commissioner must evaluate the projects and select projects by March 1 of the following year. To the greatest extent possible, the commissioner must select a sufficient number of projects to ensure that all funds allocated for the five-year period are encumbered or spent by the end of the period. If all selected projects are funded in the five-year time period and there were projects that were identified and not selected, the commissioner must select additional projects from the original project submissions. If all the projects that were submitted are funded, the commissioner may authorize an additional project selection period to select projects for the remainder of the period. Except as authorized by this subdivision, the project submission and selection process must only occur every five years.

Sec. 18. **[161.178] TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT ASSESSMENT.**

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

(b) "Assessment" means the capacity expansion impact assessment under this section.

(c) "Capacity expansion project" means a project for trunk highway construction or reconstruction that:

(1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph (b); and

(2) adds highway traffic capacity or provides for grade separation at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

(d) "Embodied carbon emissions" means the total carbon dioxide emissions from all stages of production of a product or material including but not limited to mining, processing of raw materials, and manufacturing.

(e) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

Subd. 2. **Project assessment.** (a) Prior to including a capacity expansion project in the state transportation improvement program, the commissioner must perform a capacity expansion impact

assessment of the project. Following the assessment, the commissioner must determine if the project conforms with:

(1) the greenhouse gas emissions reduction benchmarks under section 174.01, subdivision 3;

(2) the vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a; and

(3) providing neutral or positive environmental effects in areas of persistent poverty or historically disadvantaged communities disrupted, displaced, or otherwise harmed by past transportation infrastructure decisions.

(b) If the commissioner determines that the capacity expansion project is not in conformance with paragraph (a), the commissioner must:

(1) alter the scope or design of the project and perform a revised assessment that meets the requirements under this section;

(2) interlink sufficient impact mitigation as provided in subdivision 4; or

(3) halt project development and disallow inclusion of the project in the state transportation improvement program.

Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to perform capacity expansion impact assessments. An assessment must provide for the determination under subdivision 2.

(b) Analysis under an assessment must include but is not limited to estimates resulting from the project for the following:

(1) total embodied carbon emissions;

(2) greenhouse gas emissions over a period of 20 years;

(3) change in vehicle miles traveled for the trunk highway segment and in other impacted areas within the state; and

(4) a calculation of positive, neutral, or negative environmental effects based on:

(i) air quality and pollution;

(ii) noise pollution;

(iii) general public health; and

(iv) other measures as determined by the commissioner.

(c) The commissioner must establish criteria to identify areas of persistent poverty and historically disadvantaged communities based on measures and definitions in state and federal law and federal guidance. The criteria must include a consideration of whether a historically disadvantaged community was disrupted, displaced, or otherwise harmed by past transportation decisions.

Subd. 4. **Impact mitigation.** (a) To provide for impact mitigation, the commissioner must interlink the capacity expansion project as provided in this subdivision. Impact mitigation is sufficient under subdivision 2, paragraph (b), if the capacity expansion project is interlinked to mitigation actions such that:

(1) the total greenhouse gas emissions reduction from the mitigation actions, after accounting for the greenhouse gas emissions otherwise resulting from the capacity expansion project, is consistent with meeting the benchmarks and targets specified under subdivision 2, paragraph (a), clauses (1) and (2); and

(2) the total positive environmental effects from the actions equals or exceeds the negative environmental effects, as determined under subdivision 3, paragraph (b), clause (4), otherwise resulting from the capacity expansion project.

(b) Each comparison under paragraph (a), clauses (1) and (2), must be performed over equal comparison periods.

(c) A mitigation action consists of a project, program, or operations modification in one or more of the following areas:

(1) transit expansion, including but not limited to regular route bus, arterial bus rapid transit, highway bus rapid transit, rail transit, and intercity passenger rail;

(2) transit service improvements, including but not limited to increased service level, transit fare reduction, and transit priority treatments;

(3) active transportation infrastructure;

(4) micromobility infrastructure and service, including but not limited to shared vehicle services;

(5) transportation demand management, including but not limited to vanpool and shared vehicle programs, remote work, and broadband access expansion;

(6) parking management, including but not limited to parking requirements reduction or elimination and parking cost adjustments;

(7) land use, including but not limited to residential and other density increases, mixed-use development, and transit-oriented development; and

(8) highway construction materials or practices modifications to provide for greenhouse gas emissions reductions.

(d) A mitigation action may be identified as interlinked to the capacity expansion project if:

(1) there is a specified project, program, or modification;

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in paragraph (e); and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (a).

(e) The area or corridor of a mitigation action must be localized in the following priority order:

(1) within or associated with at least one of the communities impacted by the capacity expansion project;

(2) if there is not a reasonably feasible location under clause (1), in the region of the capacity expansion project; or

(3) if there is not a reasonably feasible location under clauses (1) and (2), on a statewide basis.

(f) The commissioner must include an explanation regarding the feasibility and rationale for each mitigation action located under paragraph (e), clauses (2) and (3).

Subd. 5. **Public information.** The commissioner must publish information regarding capacity expansion impact assessments on the department's website. The information must include:

(1) identification of capacity expansion projects; and

(2) for each project, a summary that includes an overview of the expansion impact assessment, the impact determination by the commissioner, and project disposition including a review of any mitigation actions.

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

Sec. 19. Minnesota Statutes 2022, section 161.45, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) Electric transmission, telephone, or telegraph lines; pole lines; community antenna television lines; railways; ditches; sewers; water, heat, or gas mains; gas and other pipelines; flumes; or other structures which, under the laws of this state or the ordinance of any city, may be constructed, placed, or maintained across or along any trunk highway, or the roadway thereof, by any person, persons, corporation, or any subdivision of the state, may be so maintained or hereafter constructed only in accordance with such rules as may be prescribed by the commissioner who shall have power to prescribe and enforce reasonable rules with reference to the placing and maintaining along, across, or in any such trunk highway of any of the utilities hereinbefore set forth.

(b) The rules under paragraph (a) must not prohibit an entity that has a right to use the public road right-of-way pursuant to section 222.37, subdivision 1, and that has a power purchase agreement or an agreement to transfer ownership with a Minnesota utility that directly, or through its members or agents, provides retail electric service in the state from placing and maintaining electric transmission lines along, across, or in any trunk highway except as necessary to protect public safety. Nothing herein shall restrict the actions of public authorities in extraordinary emergencies nor restrict the power and authority of the commissioner of commerce as provided for in other provisions of law. Provided, however, that in the event any local subdivision of government has enacted ordinances relating to the method of installation or requiring underground installation of such community

antenna television lines, the permit granted by the commissioner of transportation shall require compliance with such local ordinance.

Sec. 20. Minnesota Statutes 2022, section 161.45, subdivision 2, is amended to read:

Subd. 2. **Relocation of utility.** Whenever the relocation of any utility facility is necessitated by the construction of a project on a trunk highway ~~routes other than those described in section 161.46, subdivision 2 route,~~ the relocation work may be made a part of the state highway construction contract or let as a separate contract as provided by law if the owner or operator of the facility requests the commissioner to act as its agent for the purpose of relocating the facilities and if the commissioner determines that such action is in the best interests of the state. Payment by the utility owner or operator to the state shall be in accordance with applicable statutes and the rules for utilities on trunk highways.

Sec. 21. Minnesota Statutes 2022, section 161.46, subdivision 2, is amended to read:

Subd. 2. **Relocation of facilities; reimbursement.** (a) Whenever the commissioner shall determine the relocation of any utility facility is necessitated by the construction of a project on the routes of federally aided state trunk highways, including urban extensions thereof, which routes are included within the National System of Interstate Highways, the owner or operator of such utility facility shall relocate the same in accordance with the order of the commissioner. After the completion of such relocation the cost thereof shall be ascertained and paid by the state out of trunk highway funds; provided, however, the amount to be paid by the state for such reimbursement shall not exceed the amount on which the federal government bases its reimbursement for said interstate system.

(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility is not eligible for relocation reimbursement unless the entity directly, or through its members or agents, provides retail electric service in this state.

Sec. 22. Minnesota Statutes 2022, section 161.53, is amended to read:

161.53 RESEARCH ACTIVITIES.

(a) The commissioner may set aside in each fiscal year up to two percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds for transportation research including public and private research partnerships. The commissioner shall spend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems, including research into and implementation of innovations in bridge-monitoring technology and bridge inspection technology; bridge inspection techniques and best practices; and the cost-effectiveness of deferred or lower cost highway and bridge design and maintenance activities and their impacts on long-term trunk highway costs and maintenance needs; (2) research on transportation policies that enhance energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) development of transportation education and outreach activities.

(b) Of all funds appropriated to the commissioner other than state-aid funds, the commissioner shall spend at least 0.1 percent, ~~but not exceeding \$2,000,000 in any fiscal year,~~ for research and related activities performed by the Center for Transportation Studies of the University of Minnesota.

The center shall establish a technology transfer and training center for Minnesota transportation professionals.

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

Sec. 23. Minnesota Statutes 2022, section 168.27, subdivision 31, is amended to read:

Subd. 31. **Documentary fee.** (a) A motor vehicle dealer may not charge a documentary fee or document administration fee in excess of the amounts provided under paragraph (b) for services actually rendered to, for, or on behalf of the retail buyer or lessee to prepare, handle, and process documents for the closing of a motor vehicle retail sale or lease of a vehicle being registered in the state of Minnesota. The fee must be separately stated on the sales agreement maintained under Minnesota Rules, part 7400.5200, and may be excluded from the dealer's advertised price.

(b) For motor vehicle sales or leases made on or after July 1, ~~2017~~ 2023, through June 30, ~~2020~~ 2024, the maximum fee is ~~\$100~~ the lesser of \$200 or an amount equal to ten percent of the value of the sale or lease. For motor vehicle sales or leases made on or after July 1, ~~2020~~ 2024, through June 30, 2025, the maximum fee is ~~\$125~~ the lesser of \$275 or an amount equal to ten percent of the value of the sale or lease. For motor vehicle sales or leases made on or after July 1, 2025, the maximum fee is the lesser of \$350 or an amount equal to ten percent of the value of the sale or lease.

(c) "Documentary fee" and "document administration fee" do not include an optional electronic transfer fee as defined under section 53C.01, subdivision 14.

EFFECTIVE DATE. This section is effective for motor vehicle sales and leases made on or after July 1, 2023.

Sec. 24. Minnesota Statutes 2022, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** "Electric-assisted bicycle" means a bicycle with two or three wheels that:

- (1) has a saddle and fully operable pedals for human propulsion;
- (2) meets the requirements for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements;
- (3) is equipped with an electric motor that has a power output of not more than 750 watts; ~~and~~
- (4) meets the requirements of a class 1, class 2, or class 3 electric-assisted bicycle; and
- (5) has a battery or electric drive system that has been tested to an applicable safety standard by a third-party testing laboratory.

Sec. 25. **[169.065] SAFE ROAD ZONES.**

Subdivision 1. **Definition.** For purposes of this section, "local request" means a formal request collectively submitted by the chief law enforcement officer of a political subdivision serving the proposed safe road zone, the local road authority for the proposed safe road zone, and the chief

executive officer, board, or designee by resolution of the political subdivision encompassing the proposed safe road zone.

Subd. 2. **Establishment.** (a) The commissioner may designate a safe road zone as provided in this section.

(b) Upon receipt of a local request, the commissioner, in consultation with the commissioner of public safety, must consider designating a segment of a street or highway as a safe road zone. In determining the designation of a safe road zone, the commissioner must evaluate traffic safety concerns for the street or highway, including but not limited to: excessive speed; crash history; safety of pedestrians, bicyclists, or other vulnerable road users; intersection risks; and roadway design.

Subd. 3. **Implementation.** The Advisory Council on Traffic Safety under section 4.076 must make recommendations to the commissioners of public safety and transportation on supporting the local authority with implementation of safety measures for each safe road zone through education, public awareness, behavior modification, and traffic engineering efforts. Safety measures for a safe road zone may include:

- (1) providing safe road zone signs to the local authority for use in the zone;
- (2) consulting with the local authority on roadway design modifications to improve safety;
- (3) performing statewide safe road zone public awareness and educational outreach;
- (4) providing safe road zone outreach materials to the local authority for distribution to the general public;
- (5) working with the local authority to enhance safety conditions in the zone;
- (6) establishing a speed limit as provided under section 169.14, subdivision 5i, with supporting speed enforcement and education measures; and
- (7) evaluating the impacts of safety measures in the zone on: crashes; injuries and fatalities; property damage; transportation system disruptions; safety for vulnerable roadway users, including pedestrians and bicyclists; and other measures as identified by the commissioner.

Subd. 4. **Traffic enforcement.** The commissioner of public safety must coordinate with local law enforcement agencies to determine implementation of enhanced traffic enforcement in a safe road zone designated under this section.

Subd. 5. **Program information.** The commissioner of transportation must maintain information on a website that summarizes safe road zone implementation, including but not limited to identification of requests for and designations of safe road zones, an overview of safety measures and traffic enforcement activity, and a review of annual expenditures.

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

Sec. 26. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to read:

Subd. 5i. **Speed limits in safe road zone.** (a) Upon request by the local authority, the commissioner may establish a temporary or permanent speed limit in a safe road zone designated under section 169.065, other than the limits provided in subdivision 2, based on an engineering and traffic investigation.

(b) The speed limit under this subdivision is effective upon the erection of appropriate signs designating the speed and indicating the beginning and end of the segment on which the speed limit is established. Any speed in excess of the posted limit is unlawful.

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

Sec. 27. Minnesota Statutes 2022, section 169.18, subdivision 11, is amended to read:

~~Subd. 11. **Passing parked authorized vehicle; citation; probable cause.** (a) For purposes of this subdivision, "authorized vehicle" means an authorized emergency vehicle, as defined under section 169.011, subdivision 3; a tow truck or towing vehicle, as defined under section 168B.011, subdivision 12a; a freeway service patrol vehicle; a road maintenance vehicle; a utility company vehicle; a construction vehicle; a solid waste vehicle; or a recycling vehicle.~~

~~(b) (a) When approaching and before passing an authorized a vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having two lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane farthest away from the authorized vehicle, if it is possible to do so.~~

~~(c) (b) When approaching and before passing an authorized a vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having more than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full lane vacant between the driver and any lane in which the authorized parked or stopped vehicle is completely or partially parked or otherwise stopped, if it is possible to do so.~~

~~(d) (c) If a lane change under paragraph (b) or (c) (a) or (b) is impossible, or when approaching and before passing an authorized a vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having only one lane in the same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable and prudent under the conditions until the motor vehicle has completely passed the parked or stopped authorized vehicle, if it is possible to do so.~~

~~(e) (d) A peace officer may issue a citation to the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of this subdivision within the four-hour period following the termination of the incident or a receipt of a report under paragraph (f) (e). The citation may be issued even though the violation was not committed in the presence of the peace officer.~~

~~(f) (e) Although probable cause may be otherwise satisfied by other evidentiary elements or factors, probable cause is sufficient for purposes of this subdivision when the person cited is operating the vehicle described by a member of the crew of an authorized emergency vehicle or a towing vehicle as defined in section 168B.011, subdivision 12a, responding to an incident in a timely report of the violation of this subdivision, which includes a description of the vehicle used to commit the~~

offense and the vehicle's license plate number. For the purposes of issuance of a citation under paragraph ~~(e)~~ (d), "timely" means that the report must be made within a four-hour period following the termination of the incident.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 28. Minnesota Statutes 2022, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; ~~or~~

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening; or

(10) is legally blind.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

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

Sec. 29. Minnesota Statutes 2022, section 169.475, subdivision 2, is amended to read:

Subd. 2. **Prohibition on use; penalty.** (a) Except as provided in subdivision 3, when a motor vehicle is in motion or a part of traffic, the person operating the vehicle upon a street or highway is prohibited from:

(1) holding a wireless communications device with one or both hands; or

(2) using a wireless communications device to:

~~(+)~~ (i) initiate, compose, send, retrieve, or read an electronic message;

~~(-)~~ (ii) engage in a cellular phone call, including initiating a call, talking or listening, and participating in video calling; and

~~(-)~~ (iii) access the following types of content stored on the device: video content, audio content, images, games, or software applications.

(b) A person who violates paragraph (a) a second or subsequent time must pay a fine of \$275.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations committed on or after that date.

Sec. 30. Minnesota Statutes 2022, section 169.475, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The prohibitions in subdivision 2 do not apply if a person uses a wireless communications device:

(1) solely in a voice-activated or hands-free mode to (i) initiate or participate in a cellular phone call, provided that the person does not hold the device with one or both hands; or ~~to~~ (ii) initiate, compose, send, or listen to an electronic message;

(2) to view or operate a global positioning system or navigation system in a manner that does not require the driver to type while the vehicle is in motion or a part of traffic, provided that the person does not hold the device with one or both hands;

(3) to listen to audio-based content in a manner that does not require the driver to scroll or type while the vehicle is in motion or a part of traffic, provided that the person does not hold the device with one or both hands;

(4) to obtain emergency assistance to (i) report a traffic accident, medical emergency, or serious traffic hazard, or (ii) prevent a crime about to be committed;

(5) in the reasonable belief that a person's life or safety is in immediate danger; or

(6) in an authorized emergency vehicle while in the performance of official duties.

(b) The exception in paragraph (a), clause (1), does not apply to accessing nonnavigation video content, engaging in video calling, engaging in live-streaming, accessing gaming data, or reading electronic messages.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations committed on or after that date.

Sec. 31. **[169.8296] WEIGHT LIMITS; TOWING AND RECOVERY VEHICLE.**

Subdivision 1. Annual permit. The commissioner may issue permits to an applicant who pays a single \$300 annual fee to cover all tow trucks and towing vehicles owned by the applicant and who meets any other conditions prescribed by the commissioner. The proceeds of this fee must be deposited in the trunk highway fund. The permit authorizes the tow truck or towing vehicle, when towing a disabled or damaged vehicle to a place of repair or safekeeping, to exceed the length and weight limitations of this chapter.

Subd. 2. Applicability with urgent movement. Sections 169.823 to 169.828 do not apply to a tow truck or towing vehicle when towing a disabled or damaged vehicle and the movement is urgent and for the purpose of removing the disabled vehicle from the roadway to a place of repair or safekeeping. A permit is not required for a vehicle operating under this subdivision.

Subd. 3. Seasonal load restrictions; exemption. (a) For purposes of this subdivision, "recovery vehicle" means a vehicle equipped with a boom that is used to move or recover an inoperable vehicle.

(b) The seasonal load restrictions under section 169.87, subdivisions 1 and 2, do not apply to a tow truck, towing vehicle, or a recovery vehicle that does not exceed a weight of 20,000 pounds per single axle and is being operated for the purpose of towing or recovering another vehicle that:

(1) is involved in a vehicle crash or is inoperable and is located within a public road right-of-way;

or

(2) has entered a public body of water adjacent to the roadway.

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

Sec. 32. Minnesota Statutes 2022, section 171.042, is amended to read:

171.042 DRIVER'S LICENSE FOR MEDICAL REASON.

(a) For purposes of this section, "relative" means the applicant's grandparent, parent, sibling, or legal guardian, including adoptive, half, step, and in-law relationships.

(b) Notwithstanding any provisions of section 171.04, relating to the age of an applicant, the commissioner may issue a driver's license to a person who has attained the age of 15 years but is under the age of 16 years, who, except for age, is qualified to hold a driver's license and who needs to operate a motor vehicle because of:

(1) personal ~~or family~~ medical reasons;

(2) medical reasons of a relative; or

(3) a disabled relative who has a disability that makes it difficult to drive or who does not have a driver's license due to a disability.

(c) The applicant is not required to comply with the six-month instruction permit possession provisions of sections 171.04, subdivision 1, clause (2), and 171.05, subdivision 2a, or with the 12-month provisional license possession provision of section 171.04, subdivision 1, clause (1), item (i).

(d) Applicants shall apply to the commissioner for the license on forms prescribed by the commissioner. The application ~~shall~~ must be accompanied by written verified statements ~~by~~ from the applicant's ~~parent or guardian and by~~ relative or a doctor setting forth the ~~necessity~~ reason the applicant is qualified for the license. The commissioner in issuing such license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to applications submitted on or after that date.

Sec. 33. Minnesota Statutes 2022, section 171.05, subdivision 2, is amended to read:

Subd. 2. **Person less than 18 years of age.** (a) The department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or:

(i) is enrolled in ~~either:~~ behind-the-wheel training in a driver education program; and

(ii) has completed:

~~(i) a public, private, or commercial~~ (A) the classroom phase of instruction in a driver education program that ~~is approved by the commissioner of public safety and that~~ includes classroom and behind-the-wheel training; ~~or~~

(B) 15 hours of classroom instruction in a driver education program that presents classroom and behind-the-wheel instruction concurrently;

~~(ii) an approved behind-the-wheel driver education program~~ (C) home-classroom driver training, when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a ~~homeschool~~ home school diploma, the student is ~~taking~~ home-classroom driver training with classroom materials are approved by the commissioner of public safety, and the student's parent has certified the student's ~~homeschool~~ home school and home-classroom driver training status on the form approved by the commissioner;

(D) a teleconference driver education program authorized by section 171.395; or

(E) an online driver education program authorized by section 171.396;

~~(2) has completed the classroom phase of instruction in the driver education program or has completed 15 hours of classroom instruction in a program that presents classroom and behind-the-wheel instruction concurrently;~~

~~(3)~~ (2) has passed a test of the applicant's eyesight;

~~(4)~~ (3) has passed a department-administered test of the applicant's knowledge of traffic laws;

~~(5)~~ (4) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor, (v) the foster parent or the director of the transitional living program in which the child resides or, in the event a person under the age of 18 has no living father, mother, or guardian, or is married or otherwise legally emancipated, then (vi) the applicant's adult spouse, adult close family member, or adult employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, adult spouse, adult close family member, or adult employer; and

~~(6)~~ (5) has paid all fees required in section 171.06, subdivision 2.

(b) In addition, the applicant may submit a certification stating that a primary driving supervisor has completed the supplemental parental curriculum under section 171.0701, subdivision 1a, for the purposes of provisional license requirements under section 171.055, subdivision 1, paragraph (a), clause (6). The certification must be completed by a driver education instructor, as defined under section 171.0701, subdivision 1a.

(c) For the purposes of determining compliance with the certification of paragraph (a), clause (1), item (ii), subitem (C), the commissioner may request verification of a student's ~~homeschool~~ home school status from the superintendent of the school district in which the student resides and the superintendent shall provide that verification.

(d) A driver education program under this subdivision includes a public, private, or commercial program and must be approved by the commissioner.

~~(e)~~ (e) The instruction permit is valid for two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

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

Sec. 34. Minnesota Statutes 2022, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

REAL ID Compliant or				
Noncompliant Classified	D- \$21.00	C- \$25.00	B- \$32.00	A- \$40.00
Driver's License	<u>\$27.00</u>	<u>\$31.00</u>	<u>\$38.00</u>	<u>\$46.00</u>

REAL ID Compliant or Noncompliant Classified Under-21 D.L.	D- \$21.00 <u>\$27.00</u>	C- \$25.00 <u>\$31.00</u>	B- \$32.00 <u>\$38.00</u>	A- \$20.00 <u>\$26.00</u>
Enhanced Driver's License	D- \$36.00 <u>\$42.00</u>	C- \$40.00 <u>\$46.00</u>	B- \$47.00 <u>\$53.00</u>	A- \$55.00 <u>\$61.00</u>
REAL ID Compliant or Noncompliant Instruction Permit				\$5.25 <u>\$11.25</u>
Enhanced Instruction Permit				\$20.25 <u>\$26.25</u>
Commercial Learner's Permit				\$2.50 <u>\$8.50</u>
REAL ID Compliant or Noncompliant Provisional License				\$8.25 <u>\$14.25</u>
Enhanced Provisional License				\$23.25 <u>\$29.25</u>
Duplicate REAL ID Compliant or Noncompliant License or duplicate REAL ID Compliant or Noncompliant identification card				\$6.75 <u>\$12.75</u>
Enhanced Duplicate License or enhanced duplicate identification card				\$21.75 <u>\$27.75</u>
REAL ID Compliant or Noncompliant Minnesota identification card or REAL ID Compliant or Noncompliant Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$11.25 <u>\$17.25</u>
Enhanced Minnesota identification card				\$26.25 <u>\$32.25</u>

~~From August 1, 2019, to June 30, 2022,~~ The fee is increased by \$0.75 for REAL ID compliant or noncompliant classified driver's licenses, REAL ID compliant or noncompliant classified under-21 driver's licenses, and enhanced driver's licenses.

(b) In addition to each fee required in paragraph (a), the commissioner shall collect a surcharge of \$2.25. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account under section 299A.705.

(c) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the

fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(d) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(e) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(f) In addition to the fee required under paragraph (a), the commissioner shall charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph must be deposited in the driver services operating account under section 299A.705.

(g) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

Sec. 35. Minnesota Statutes 2022, section 171.06, subdivision 3, as amended by Laws 2023, chapter 13, article 1, section 3, is amended to read:

Subd. 3. Contents of application; other information. (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

- (ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);
 - (iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c; ~~and~~
 - (iv) indicate emergency contacts as provided under section 171.12, subdivision 5b; and
 - (v) indicate the applicant's race and ethnicity.
- (b) Applications must be accompanied by satisfactory evidence demonstrating:
- (1) identity, date of birth, and any legal name change if applicable; and
 - (2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:
 - (i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;
 - (ii) Social Security number, or related documentation as applicable; and
 - (iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.
- (c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:
- (1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and
 - (2) a photographic identity document.
- (d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.
- (e) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

EFFECTIVE DATE. This section is effective for driver's license and identification card applications submitted on or after January 1, 2024.

Sec. 36. Minnesota Statutes 2022, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department shall issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

- (1) Veteran; or
- (2) Veteran 100% T&P.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; or

(ii) a retired member of the National Guard or a reserve component of the United States armed forces;

(2) have provide a certified copy of the ~~veteran's applicant's~~ discharge papers that confirms an honorable or general discharge under honorable conditions status, or a military retiree identification card, veteran identification card, or veteran health identification card; and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

~~(e) The commissioner of public safety is required to issue drivers' licenses and Minnesota identification cards with the veteran designation only after entering a new contract or in coordination with producing a new card design with modifications made as required by law.~~

EFFECTIVE DATE; APPLICATION. This section is effective August 1, 2023, and applies to applications submitted on or after that date.

Sec. 37. **[171.301] REINTEGRATION LICENSE.**

Subdivision 1. Conditions of issuance. (a) The commissioner may issue a reintegration driver's license to any person:

(1) who is 18 years of age or older;

(2) who has been released from a period of at least 180 consecutive days of confinement or incarceration in:

(i) an adult correctional facility under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021;

(ii) a federal correctional facility for adults; or

(iii) an adult correctional facility operated under the control or supervision of any other state; and

(3) whose license has been suspended or revoked under the circumstances listed in section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred before the individual was incarcerated for the period described in clause (2).

(b) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner.

(c) If the person's driver's license or permit to drive has been suspended under section 171.186, the commissioner may only issue a reintegration driver's license to the person after the commissioner receives notice of a court order provided pursuant to section 518A.65, paragraph (e), showing that the person's driver's license or operating privileges should no longer be suspended.

(d) If the person's driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1), the commissioner may only issue a reintegration driver's license to the person after the person has completed the applicable revocation period.

(e) The commissioner must not issue a reintegration driver's license:

(1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or (11);

(2) to any person described in section 169A.55, subdivision 5;

(3) if the person has committed a violation after the person was released from custody that results in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1; or

(4) if the issuance would conflict with the requirements of the nonresident violator compact.

(f) The commissioner must not issue a class A, class B, or class C reintegration driver's license.

Subd. 2. **Application.** (a) Application for a reintegration driver's license must be made in the form and manner approved by the commissioner.

(b) A person seeking a reintegration driver's license who was released from confinement or incarceration on or after April 1, 2024, must apply for the license within one year of release. A person seeking a reintegration driver's license who was released from confinement or incarceration before April 1, 2024, must apply for the license by April 1, 2025.

Subd. 3. **Fees prohibited.** (a) For a reintegration driver's license under this section:

(1) the commissioner must not impose:

(i) a fee, surcharge, or filing fee under section 171.06, subdivision 2; or

(ii) an endorsement fee under section 171.06, subdivision 2a; and

(2) a driver's license agent must not impose a filing fee under section 171.061, subdivision 4.

(b) Issuance of a reintegration driver's license does not forgive or otherwise discharge any unpaid fees or fines.

Subd. 4. **Cancellation of license.** (a) The commissioner must cancel the reintegration driver's license of any person who commits a violation that would result in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1. The commissioner must not cancel a reintegration driver's license for payment of a fine or resolution of a criminal charge if the underlying incident occurred before the reintegration driver's license was issued, unless the conviction would have made the person ineligible to receive a reintegration driver's license. Except as described in paragraph (b), a person whose reintegration driver's license is canceled under this subdivision may not be issued another reintegration driver's license and may not operate a motor vehicle for the remainder of the period of suspension or revocation or 30 days, whichever is longer.

(b) A person whose reintegration driver's license is canceled under paragraph (a) may apply for a new reintegration driver's license if the person is incarcerated or confined for a period of at least 180 consecutive days after the cancellation and the person meets the conditions described in subdivision 1.

(c) Nothing in this section prohibits cancellation and reinstatement of a reintegration driver's license for any other reason described in section 171.14 provided any factor making the person not eligible for a driver's license under section 171.04 occurred or became known to the commissioner after issuance of the reintegration driver's license.

Subd. 5. **Expiration.** A reintegration driver's license expires 15 months from the date of issuance of the license. A reintegration driver's license may not be renewed.

Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license to a person who possesses a reintegration driver's license if:

(1) the person has possessed the reintegration driver's license for at least one full year;

(2) the reintegration driver's license has not been canceled under subdivision 4 and has not expired under subdivision 5;

(3) the person meets the application requirements under section 171.06, including payment of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and 2a, and 171.061, subdivision 4; and

(4) issuance of the license does not conflict with the requirements of the nonresident violator compact.

(b) The commissioner must forgive any outstanding balance due on a fee or surcharge under section 171.29, subdivision 2, for a person who is eligible and applies for a license under paragraph (a).

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

Sec. 38. **[171.395] TELECONFERENCE DRIVER EDUCATION PROGRAM.**

Subdivision 1. **Authorization.** A licensed driver education program that provides both classroom and behind-the-wheel instruction may provide teleconference driver education as provided in this section. For purposes of this section, the driver education program must provide both classroom and behind-the-wheel instruction. If a program partners or contracts with a second program to provide any portion of classroom or behind-the-wheel instruction, the first program is not eligible to provide teleconference driver education instruction.

Subd. 2. **Curriculum and instruction requirements.** (a) A teleconference driver education program must:

(1) meet the requirements as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411, or successor rules;

(2) use teleconferencing, or another similar method, that provides live synchronous distance learning and ensures that student questions and comments can be addressed in real time;

(3) ensure all locations are linked using both picture and sound;

(4) use classroom instruction curriculum that is identical to the curriculum used by the driver education program in an in-person setting;

(5) provide teleconference instruction to any student that is enrolled in the approved driver education program; and

(6) provide teleconference interactive supplemental parent curriculum consistent with section 171.0701, subdivision 1a.

(b) A student may receive teleconference instruction only if the driver education instructor confirms that picture and sound allow the student to interact with the instructor in real time.

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

Sec. 39. **[171.396] ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed driver education program may provide online driver education as provided in this section. The online driver education program must satisfy the requirements for classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

(1) include a means for the student to measure performance outcomes;

(2) use a pool of rotating quiz questions;

(3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;

(4) measure the amount of time that the student spends in the course;

(5) provide technical support to customers that is available 24 hours per day, seven days per week;

(6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;

(7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;

(8) incorporate preventive measures in place to protect against the access of private information;

(9) include the ability to update course content uniformly throughout the state; and

(10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.

(b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

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

Sec. 40. Minnesota Statutes 2022, section 174.01, is amended by adding a subdivision to read:

Subd. 3. **Greenhouse gas emissions benchmarks.** (a) In association with the goals under subdivision 2, clauses (10) and (13) to (16), the commissioner of transportation must establish benchmarks for the statewide greenhouse gas emissions reduction goal under section 216H.02, subdivision 1.

(b) The benchmarks must include:

(1) establishment of proportional emissions reduction performance targets for the transportation sector;

(2) specification of the performance targets on a five-year or more frequent basis; and

(3) allocation across the transportation sector, which:

(i) must provide for an allocation to the metropolitan area, as defined in section 473.121, subdivision 2;

(ii) must account for differences in the feasibility and extent of emissions reductions across forms of land use and across regions of the state; and

(iii) may include performance targets based on Department of Transportation district, geographic region, a per capita calculation, or transportation mode, or a combination.

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

Sec. 41. Minnesota Statutes 2022, section 174.03, subdivision 1c, is amended to read:

Subd. 1c. **Minnesota state highway investment plan.** Within one year of each revision of the statewide multimodal transportation plan under subdivision 1a, the commissioner must prepare a 20-year Minnesota state highway investment plan that:

(1) incorporates performance measures and targets for assessing progress and achievement of the state's transportation goals, objectives, and policies identified in this chapter for the state trunk highway system, and those goals, objectives, and policies established in the statewide multimodal transportation plan. Performance targets must be based on objectively verifiable measures, and address, at a minimum:

(i) preservation and maintenance of the structural condition of state highway roadways, bridges, pavements, roadside infrastructure, and traveler-related facilities;

(ii) safety; and

(iii) mobility;

(2) summarizes trends and impacts for each performance target over the past five years;

(3) summarizes the amount and analyzes the impact of the department's capital investments and priorities over the past five years on each performance target, including a comparison of prior plan projected costs with actual costs;

(4) identifies the investments required to meet the established performance targets over the next 20-year period;

(5) projects available state and federal funding over the 20-year period, including any unique, competitive, time-limited, or focused funding opportunities;

(6) identifies strategies to ensure the most efficient use of existing transportation infrastructure, and to maximize the performance benefits of projected available funding;

(7) establishes investment priorities for projected funding, which must:

(i) provide for cost-effective preservation, maintenance, and repair to address the goal under section 174.01, subdivision 2, clause (9), in a manner that aligns with other goals in that section;

(ii) as appropriate, provide a schedule of major projects or improvement programs for the 20-year period; and

(iii) identify resulting projected costs and impact on performance targets; ~~and~~

(8) identifies those performance targets identified under clause (1) not expected to meet the target outcome over the 20-year period together with alternative strategies that could be implemented to meet the targets; and

(9) establishes procedures and guidance for capacity expansion project development to conform with section 161.178, subdivision 2, paragraph (a).

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

Sec. 42. **[174.46] DISADVANTAGED COMMUNITIES CARSHARING GRANT ACCOUNT; GRANTS.**

(a) The disadvantaged communities carsharing grant account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner to make grants as provided in paragraph (b).

(b) The commissioner must administer a program to provide grants to nonprofit organizations or carsharing operators to support the growth of carsharing in disadvantaged communities through programs, marketing, and community engagement. A grant recipient may use grant proceeds for capital and operational costs of a program. Eligible grant recipients must be based in Minnesota and be either a nonprofit organization or carsharing operator, with a preference given to nonprofit carsharing operators. Transportation management organizations are not eligible to receive grants under this section.

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

Sec. 43. **[174.47] ELECTRIC VEHICLE INFRASTRUCTURE PROGRAM.**

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

(b) "Commissioner" means the commissioner of transportation.

(c) "Program" means the electric vehicle infrastructure program established in this section.

(d) "Project" includes but is not limited to planning, predesign, design, preliminary and final engineering, environmental analysis, property acquisition, construction, and maintenance.

Subd. 2. **Electric vehicle infrastructure program.** The commissioner must establish a statewide electric vehicle infrastructure program for the purpose of implementing the National Electric Vehicle Infrastructure Formula Program and successor programs to maximize the use of federal funds available to the state.

Subd. 3. **Authority to contract.** The commissioner may enter into an agreement with any private or public entity to provide financial assistance for, or engage in the planning, designing, developing, hosting, constructing, equipping, operating, or maintaining of, electric vehicle infrastructure, including but not limited to environmental studies, preliminary engineering, final design, construction, and developing financial and operating plans.

Subd. 4. **Program requirements.** (a) The commissioner must require that electric vehicle infrastructure funded under the program is constructed, installed, and maintained in conformance with the requirements under Code of Federal Regulations, title 23, section 680.106, paragraph (j), or successor requirements.

(b) An electric vehicle infrastructure project that receives funds under the program is subject to the requirement of paying the prevailing wage rate as defined in section 177.42, and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 5. **Report.** (a) Every even-numbered year by February 1, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance regarding the electric vehicle infrastructure program. At a minimum, the report must include:

(1) an itemization of federal funds spent for the program, including the purpose of the expenditure and the recipient of the expenditure;

(2) an itemization of state funds spent for the program, including the purpose of the expenditure and the recipient of the expenditure;

(3) the amount of money, from any source, that was used for department staff related to the program;

(4) any changes to the plan that were made since the previous report was submitted;

(5) the locations of electric vehicle infrastructure created with the program, including the type of infrastructure and whether the infrastructure is on public or private property;

(6) a description of how projects were selected; and

(7) a description of how the commissioner is ensuring electric vehicle infrastructure is regionally balanced.

(b) The commissioner is not required to submit a report pursuant to this subdivision if, since the previous report was submitted, no money has been spent pursuant to this section.

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

Sec. 44. Minnesota Statutes 2022, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers; and (3) operating in this state.

(b) The assessment must be calculated to allocate state rail safety inspection program costs proportionally among carriers based on route miles operated in Minnesota at the time of assessment. The commissioner must include in the assessment calculation all state rail safety inspection program costs to support up to ~~four~~ six rail safety inspector positions, including but not limited to salary, administration, supervision, travel, equipment, training, and ongoing state rail inspector duties.

(c) The assessments collected under this subdivision must be deposited in a state rail safety inspection account, which is established in the special revenue fund. The account consists of funds provided by this subdivision and any other money donated, allotted, transferred, or otherwise provided

to the account. Money in the account is appropriated to the commissioner to administer the state rail safety inspection program.

Sec. 45. [219.055] INCIDENT EMERGENCY RESPONSE; PREPAREDNESS AND INFORMATION.

Subdivision 1. **Definitions.** (a) The definitions in section 115E.01 apply to this section except as otherwise provided in this subdivision. For purposes of this section, the following terms have the meanings given.

(b) "Applicable emergency manager" means an emergency manager having jurisdiction along the routes over which oil or other hazardous substance cargo is transported by a rail carrier.

(c) "Applicable fire department officer" means a fire chief or other senior officer of a fire department having jurisdiction along the routes over which oil or other hazardous substance cargo is transported by a rail carrier.

(d) "Emergency manager" means the director of a local organization for emergency management under section 12.25.

(e) "Hazardous substance" means any material identified in the definition of hazardous substance under section 115B.02, subdivision 8, or Code of Federal Regulations, title 49, section 171.8.

(f) "Incident commander" means the official who has responsibility under National Incident Management System guidelines for all aspects of emergency response operations at an incident scene, including directing and controlling resources.

(g) "Rail carrier" means a railroad company that is:

(1) defined as a common carrier under section 218.011, subdivision 10;

(2) classified by federal law or regulation as a Class I Railroad, Class I Rail Carrier, Class II Railroad, Class II Rail Carrier, Class III Railroad, or Class III Rail Carrier; and

(3) operating in this state.

Subd. 2. **Traffic review.** Within ten business days of receiving a written request, a rail carrier must provide a traffic review to the commissioner of public safety, a requesting emergency manager, or a fire chief having jurisdiction along the routes over which oil or other hazardous substances are transported. The traffic review under this subdivision must include information on the types and volumes of oil or other hazardous substances transported through the requester's jurisdiction during the prior calendar year.

Subd. 3. **Emergency response planning; information sharing.** Upon written request, a rail carrier must provide to the commissioner of public safety, an emergency manager, or a fire chief having jurisdiction along the routes over which oil or other hazardous substances are transported:

(1) a complete copy of prevention and response plans submitted under section 115E.042, subdivision 6; and

(2) a copy of the data and information, including risk assessment information, used to develop the rail carrier's route analysis as required under Code of Federal Regulations, title 49, section 172.820, or successor requirements.

Subd. 4. Emergency response planning; coordination meetings. (a) Within 30 days of receiving a written request, a rail carrier must be available to meet with the commissioner of public safety, a requesting emergency manager, or a fire chief having jurisdiction along the routes over which oil or other hazardous substances are transported concerning emergency response planning and coordination.

(b) At a meeting held under this subdivision, a rail carrier must provide:

(1) a review of the rail carrier's emergency response planning and capability, including railroad response timelines and resources to provide:

(i) technical advice and recommendations;

(ii) trained response personnel;

(iii) specialized equipment; and

(iv) any other available resources to support an incident commander who conducts a public safety emergency response under the National Incident Management System; and

(2) inventory information on emergency responses involving oil or other hazardous substances, consisting of:

(i) equipment owned by the rail carrier, including equipment type and location;

(ii) the rail carrier's response personnel, including contact information and location; and

(iii) resources available to the rail carrier through contractual agreements.

Subd. 5. Real-time emergency response information. (a) The commissioner of public safety must, through the Minnesota Fusion Center, receive and disseminate emergency response information as provided under section 7302 of the FAST Act of 2015, Public Law 114-94, and federal regulations adopted under that section.

(b) On and after July 1, 2024, all rail carriers subject to this section and section 115E.042 must collectively provide information on the transportation of oil or other hazardous substances in a digital format through a wireless communication device application.

Subd. 6. Public safety emergency response exercises. (a) Each rail carrier must conduct one tabletop public safety emergency response exercise in each emergency management region where the rail carrier transports oil or other hazardous substances. The tabletop exercise must be conducted by July 1, 2025, and July 1 every two years thereafter.

(b) Each rail carrier must conduct one full-scale public safety emergency response exercise every four years.

(c) In an emergency management region where more than one rail carrier operates, the rail carriers may conduct the tabletop and full-scale exercises jointly or may alternate among rail carriers to conduct the exercises.

(d) The rail carriers must conduct the tabletop and full-scale exercises in full coordination with the commissioner of public safety, any interested emergency managers, and fire chiefs having jurisdiction within the applicable emergency management region along the routes over which oil or other hazardous substances are transported. Each tabletop and full-scale exercise conducted under this subdivision must be attended by safety representatives of railroad employees governed by the Railway Labor Act, United States Code, title 45, section 151, et seq.

(e) To the extent feasible, the rail carriers must coordinate the tabletop and full-scale exercises among each other and with exercises under section 115E.042, subdivision 5.

Subd. 7. Incident commander response site exercises. (a) Each rail carrier must conduct one tabletop incident commander emergency exercise in each emergency management region where the rail carrier transports oil or other hazardous substances. The tabletop exercise must be conducted under the time limits provided in section 115E.042, subdivision 4, and coordinate the railroad's response actions and recommendations to the incident commander regarding the response as provided in section 115E.042, subdivision 3.

(b) Each rail carrier must conduct one full-scale incident commander response site exercise every four years.

(c) In an emergency management region where more than one rail carrier operates, the rail carriers may conduct the incident commander response site tabletop and full-scale exercises jointly or may alternate among rail carriers to conduct the exercises.

(d) The rail carriers must conduct the incident commander response site tabletop and full-scale exercises with the commissioner of public safety, any interested emergency managers, any interested incident commanders, and fire chiefs having jurisdiction within the applicable emergency management region along the routes over which oil or other hazardous substances are transported. Each tabletop and full-scale exercise conducted under this subdivision must be attended by safety representatives of railroad employees governed by the Railway Labor Act, United States Code, title 45, section 151, et seq.

(e) A rail carrier must provide by telephone a qualified company representative with knowledge of the rail carrier's response resources during the exercises.

Subd. 8. Transportation and response planning data. (a) Any data provided under subdivisions 2 to 7 to an emergency manager, incident commander, emergency first responder, fire chief, or the commissioner of public safety are nonpublic data, as defined under section 13.02, subdivision 9.

(b) Any prevention and response plan data created under section 115E.042, subdivision 6, that is in the possession of an emergency manager, incident commander, emergency first responder, or fire chief are nonpublic data, as defined in section 13.02, subdivision 9. This paragraph does not apply to data in the possession of the commissioner of the Pollution Control Agency.

Sec. 46. Minnesota Statutes 2022, section 219.1651, is amended to read:

219.1651 GRADE CROSSING SAFETY ACCOUNT.

A Minnesota grade crossing safety account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account is appropriated to the commissioner of transportation for rail-highway grade crossing safety projects on public streets and highways, including engineering costs and other costs associated with administration and delivery of grade crossing safety projects. At the discretion of the commissioner of transportation, money in the account at the end of each biennium may cancel to the trunk highway fund.

Sec. 47. [219.752] MINIMUM CREW SIZE.

(a) For purposes of this section, "shared corridor" means a segment of railroad track in which light rail transit operates within or adjacent to right-of-way used in freight rail operation.

(b) A Class I Railroad, Class II Railroad, or a railroad while operating in a shared corridor must not operate a train or light engine used in connection with the movement of freight unless it has a crew of a minimum of two individuals. This section does not apply to hostler services or utility employees.

(c) Any railroad that willfully violates this section must pay a fine of not less than \$250 or more than \$1,000 for a first offense, not less than \$1,000 or more than \$5,000 for a second offense committed within three years of the first offense, and not less than \$5,000 nor more than \$10,000 for a third or subsequent offense committed within three years of the first offense.

(d) Fines prescribed in this section must be recovered in a civil action before a judge of the county in which the violation occurs.

EFFECTIVE DATE. This section is effective 30 days following final enactment.

Sec. 48. Minnesota Statutes 2022, section 222.37, subdivision 1, is amended to read:

Subdivision 1. **Use requirements.** Any water power, telegraph, telephone, pneumatic tube, pipeline, community antenna television, cable communications or electric light, heat, power company, entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility with transmission lines or associated facilities of an entity that directly, or through its members or agents, provides retail electric service in the state, or fire department may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, conduit, transmission lines, hydrants, or dry hydrants, the ~~company~~ entity shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. If the governing body does not require the ~~company~~ entity to obtain a permit, ~~a company~~ an entity shall notify the governing body of any county, town, or city having jurisdiction over a public road prior to the construction or major repair, involving extensive excavation on the road right-of-way, of the ~~company's~~ entity's equipment along, over, or under the public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis. For emergency repair ~~a company~~ an entity shall notify the governing body as soon as practical after the repair is made. Nothing herein shall be construed to grant to any

person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, cable communications system, or light, heat, power system, electric power generating system, high-voltage transmission line, or hydrant system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

Sec. 49. **[290.0687] ELECTRIC-ASSISTED BICYCLE CREDIT.**

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

(b) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision 27, except that the term is limited to a new electric-assisted bicycle purchased from an electric-assisted-bicycle retailer.

(c) "Qualifying accessories" means a bicycle helmet, lights, lock, luggage rack, basket, bag or backpack, fenders, or reflective clothing.

Subd. 2. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to 75 percent of the amount paid for an electric-assisted bicycle in the taxable year, including any qualifying accessories. The credit is limited to \$1,500, except for a married taxpayer filing a joint return, the limit is \$1,500 per spouse.

(b) The credit percentage in paragraph (a) is reduced by one percentage point until the credit percentage equals 50 percent, for each \$4,000 of adjusted gross income for the taxable year ending in the calendar year prior to the calendar year in excess of:

(1) \$50,000 for a married taxpayer filing a joint return; and

(2) \$25,000 for all other filers.

A taxpayer may claim the credit under this section only once. For married taxpayers filing a joint return, each spouse may claim the credit once.

(c) For purposes of determining the credit under this section, the commissioner must use the taxpayer's adjusted gross income for the taxable year ending in the calendar year prior to the calendar year in which the taxpayer applies for the credit under subdivision 3, paragraph (a).

Subd. 3. **Application; administration of credit; transferability.** (a) To claim the credit under this section, a taxpayer must submit to the commissioner an application for the credit in the form prescribed by the commissioner.

(b) Upon approving an application for a credit, the commissioner must issue a credit certificate to an eligible taxpayer stating the credit percentage, the taxable year for which the credit is allocated, and maximum credit for which the taxpayer is eligible. For a married taxpayer filing a joint return, each spouse may apply to the commissioner separately, and the commissioner must issue each spouse a separate credit certificate.

(c) The commissioner must allocate credits on a first-come, first-served basis, except that the commissioner must reserve 40 percent of the credits for a married taxpayer filing a joint return with

an adjusted gross income of less than \$78,000 or any other filer with an adjusted gross income of less than \$41,000. Any portion of a taxable year's allocation under this paragraph that is not allocated by September 30 of the taxable year is available for allocation to other credit applications beginning on October 1.

(d) The commissioner must not allocate an amount of credits totaling more than \$2,000,000 each year. If the entire amount is not allocated in that taxable year, any remaining amount for allocation is available for the four following taxable years until the entire allocation has been made. The commissioner must not award any credits for taxable years beginning after December 31, 2025, and any unallocated amounts cancel on that date.

Subd. 4. **Credits limited to one use per five years.** A taxpayer may claim and assign a credit under this section one time during a five calendar-year period.

Subd. 5. **Credit refundable; appropriation.** If the amount of credit which the taxpayer is eligible to receive under this section exceeds the taxpayer's tax liability under this chapter, the commissioner must refund the excess to the taxpayer. An amount sufficient to pay the refunds allowed under this section is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023, and before January 1, 2026.

Sec. 50. Minnesota Statutes 2022, section 297A.64, subdivision 1, is amended to read:

Subdivision 1. **Tax imposed.** (a) A tax is imposed on the lease or rental in this state for not more than 28 days of a passenger automobile as defined in section 168.002, subdivision 24, a van as defined in section 168.002, subdivision 40, or a pickup truck as defined in section 168.002, subdivision 26. The rate of tax is 9.2 percent of the sales price. The tax applies whether or not the vehicle is licensed in the state.

(b) The provisions of paragraph (a) do not apply to the vehicles of a nonprofit corporation or similar entity consisting of individual or group members who pay the organization for the use of a motor vehicle if the organization:

(1) owns, leases, or operates a fleet of vehicles of the type subject to the tax under this subdivision that are available to its members for use, priced on the basis of intervals of one hour or less;

(2) parks its vehicles in the public right-of-way or at unstaffed, self-service locations that are accessible at any time of the day; and

(3) maintains its vehicles, insures its vehicles on behalf of its members, and purchases fuel for its fleet.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 51. Minnesota Statutes 2022, section 297A.64, subdivision 2, is amended to read:

Subd. 2. **Fee imposed.** (a) A fee equal to five percent of the sales price is imposed on leases or rentals of vehicles subject to the tax under subdivision 1. The lessor on the invoice to the customer may designate the fee as "a fee imposed by the State of Minnesota for the registration of rental cars."

(b) The provisions of this subdivision do not apply to the vehicles of a nonprofit corporation or similar entity, consisting of individual or group members who pay the organization for the use of a motor vehicle, if the organization:

(1) owns or leases a fleet of vehicles of the type subject to the tax under subdivision 1 that are available to its members for use, priced on the basis of intervals of one hour or less;

(2) parks its vehicles in the public right-of-way or at unstaffed, self-service locations that are accessible at any time of the day; and

(3) maintains its vehicles, insures its vehicles on behalf of its members, and purchases fuel for its fleet;~~and.~~

~~(4) does not charge usage rates that decline on a per unit basis, whether specified based on distance or time.~~

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 52. Minnesota Statutes 2022, section 299A.01, is amended by adding a subdivision to read:

Subd. 8. **Traffic safety report.** Annually by January 2, the commissioner of public safety must submit a traffic safety report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over traffic safety and enforcement. In preparing the report, the commissioner must seek advice and comments from the Advisory Council on Traffic Safety under section 4.076. The report must analyze the safety of Minnesota's roads and transportation system, including but not limited to:

(1) injuries and fatalities that occur on or near a roadway or other transportation system facility;

(2) factors that caused crashes resulting in injuries and fatalities;

(3) roadway and system improvements broadly and at specific locations that could reduce injuries and fatalities;

(4) enforcement and education efforts that could reduce injuries and fatalities;

(5) other safety improvements or programs to improve the quality of the roadway and transportation use experience; and

(6) existing resources and resource gaps for roadway and transportation system safety improvements.

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

Sec. 53. Minnesota Statutes 2022, section 299A.55, is amended to read:

299A.55 RAILROAD AND PIPELINE SAFETY; OIL AND OTHER HAZARDOUS MATERIALS SUBSTANCES.

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

(b) "Applicable rail carrier" means a railroad company that is subject to an assessment under section 219.015, subdivision 2.

(c) "Emergency manager" has the meaning given in section 219.055, subdivision 1.

~~(d) "Hazardous substance" has the meaning given in section 115B.02, subdivision 8~~ means any material identified in the definition of hazardous substance under section 115B.02, subdivision 8, or Code of Federal Regulations, title 49, section 171.8.

~~(d)~~ (e) "Incident compelling a significant response" means an event involving rail carrier or pipeline company operations and a derailment, collision, discharge, or other similar activity resulting in applicable response actions performed by firefighters, peace officers, incident commanders, emergency managers, or emergency first responders. For purposes of this paragraph, "applicable response actions" consist of one or more of the following: a request for mutual aid or special response resources, establishment of an exclusion zone, an order for evacuation or shelter in place, or emergency notification to the general public.

(f) "Oil" has the meaning given in section 115E.01, subdivision 8.

~~(e)~~ (g) "Pipeline company" means any individual, partnership, association, or public or private corporation who owns and operates pipeline facilities and is required to show specific preparedness under section 115E.03, subdivision 2.

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

(b) ~~\$104,000~~ \$140,000 is annually appropriated from the railroad and pipeline safety account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E.

(c) ~~\$600,000 in fiscal year 2018 and \$600,000 in fiscal year 2019 are appropriated~~ \$750,000 in fiscal year 2024 and \$1,500,000 in each subsequent fiscal year are transferred from the railroad and pipeline safety account to the ~~commissioner of transportation for improving safety at railroad grade crossings~~ grade crossing safety account under section 219.1651.

(d) Following the appropriation in ~~paragraphs~~ paragraph (b) and the transfer in paragraph (c), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

Subd. 3. **Allocation of funds.** (a) Subject to funding appropriated for this subdivision, the commissioner shall provide funds for training and response preparedness related to (1) derailments,

discharge incidents, or spills involving trains carrying oil or other hazardous substances, and (2) pipeline discharge incidents or spills involving oil or other hazardous substances.

(b) The commissioner shall allocate available funds as follows:

(1) \$100,000 annually for emergency response teams; and

(2) the remaining amount to the Board of Firefighter Training and Education under section 299N.02 and the ~~Division of Homeland Security and Emergency Management~~ State Fire Marshal Division.

(c) Prior to making allocations under paragraph (b), the commissioner shall consult with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

(d) The commissioner and the entities identified in paragraph (b), clause (2), shall prioritize uses of funds based on:

(1) firefighter training needs for firefighters, emergency managers, incident commanders, and emergency first responders;

(2) community risk from discharge incidents or spills;

(3) geographic balance;

(4) risks to the general public; and

(5) recommendations of the Fire Service Advisory Committee.

(e) The following are permissible uses of funds provided under this subdivision:

(1) training costs, which may include, but are not limited to, training curriculum, trainers, trainee overtime salary, other personnel overtime salary, and tuition;

(2) costs of gear and equipment related to hazardous materials readiness, response, and management, which may include, but are not limited to, original purchase, maintenance, and replacement;

(3) supplies related to the uses under clauses (1) and (2); ~~and~~

(4) emergency preparedness planning and coordination;

(5) emergency response team costs;

(6) public safety emergency response exercises under section 219.055, subdivision 6;

(7) incident commander and response site response exercises under section 219.055, subdivision 7;

(8) postincident review and analysis under subdivision 5, based on costs incurred to state agencies and local units of government; and

(9) public education and outreach, including but not limited to:

(i) informing and engaging the public regarding hazards of derailments and discharge incidents;

(ii) assisting the development of evacuation readiness;

(iii) undertaking public information campaigns; and

(iv) providing accurate information to the media on likelihood and consequences of derailments and discharge incidents.

(f) Notwithstanding paragraph (b), clause (2), from funds in the railroad and pipeline safety account provided for the purposes under this subdivision, the commissioner may retain a balance in the account for budgeting in subsequent fiscal years.

Subd. 4. **Assessments.** (a) The commissioner of public safety shall annually assess ~~\$2,500,000~~ \$4,000,000 to railroad and pipeline companies based on the formula specified in paragraph (b). The commissioner shall deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.

(b) The assessment for each railroad is ~~50~~ 70 percent of the total annual assessment amount, divided in equal proportion between applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is ~~50~~ 30 percent of the total annual assessment amount, divided in equal proportion between companies based on the yearly aggregate gallons of oil and other hazardous substance substances transported by pipeline in Minnesota.

(c) ~~The assessments under this subdivision expire July 1, 2017~~ In addition to the amount identified in paragraph (a), the commissioner must assess the rail carrier or pipeline company involved in an incident compelling a significant response for all postincident review and analysis costs under subdivision 5 incurred by the state and local units of government. This paragraph applies regardless of whether an assessment is imposed under paragraph (a) in a fiscal year.

Subd. 5. **Postincident review and analysis; legislative report; data.** (a) After an incident compelling a significant response, or upon request of a fire chief or emergency manager after an incident, the commissioner must ensure a postincident review and analysis is performed in a timely manner. The review and analysis must be undertaken under an agreement with an entity having relevant knowledge and experience that is fully independent of the state, any local units of government involved in the incident, rail carriers, and pipeline companies.

(b) The review and analysis process must include an after action review and must evaluate, at a minimum, processes occurring during the incident for emergency assessment, hazard operations, population protection, and incident management. The review and analysis must be designed to minimize duplication of topics and issues addressed in any federal review of the incident.

(c) By March 1 following any calendar year in which one or more postincident reviews and analyses are performed, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and public safety policy and finance. The report must:

- (1) provide a summary of the incidents;
- (2) identify findings, lessons learned, and process changes; and
- (3) make recommendations for legislative changes, if any.

(d) Except for the report under paragraph (c), any data under this subdivision are nonpublic data, as defined under section 13.02, subdivision 9.

Sec. 54. Minnesota Statutes 2022, section 360.915, subdivision 6, is amended to read:

Subd. 6. **Administration.** ~~(a)~~ The commissioner must maintain records on stand-alone meteorological towers under this section and must provide information on stand-alone meteorological tower locations on the department's website.

~~(b) The commissioner must deposit revenue received under this section in the state airports fund.~~

Sec. 55. Laws 2005, First Special Session chapter 6, article 3, section 103, is amended to read:

Sec. 103. ADDITIONAL DEPUTY REGISTRAR OF MOTOR VEHICLES FOR HENNEPIN COUNTY.

Notwithstanding Minnesota Statutes, section 168.33, and rules adopted by the commissioner of public safety, limiting sites for the office of deputy registrar based on either the distance to an existing deputy registrar office or the annual volume of transactions processed by any deputy registrar within Hennepin County before or after the proposed appointment, the commissioner of public safety shall appoint a new deputy registrar of motor vehicles and driver's license agent for Hennepin County to operate a new full-service office of deputy registrar, with full authority to function as a registration and motor vehicle tax collection and driver's license bureau, at the Midtown Exchange Building and the North Minneapolis Service Center at 1001 Plymouth Avenue North in the city of Minneapolis. The addition of a deputy registrar shall make the North Minneapolis Service Center a full-service office of deputy registrar with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapter 7406, apply to the office.

Sec. 56. CLEAN TRANSPORTATION STANDARD AND SUSTAINABLE AVIATION FUEL WORKING GROUP; REPORT REQUIRED.

Subdivision 1. Creation. By August 1, 2023, the commissioners of the Pollution Control Agency, transportation, commerce, and agriculture must convene a Clean Transportation Standard and Sustainable Aviation Fuel Working Group to study and address information gaps and opportunities related to a clean transportation standard that requires the aggregate carbon intensity of transportation fuel supplied to Minnesota be reduced to at least 25 percent below the 2018 baseline level by the end of 2030, by 75 percent by the end of 2040, and by 100 percent by the end of 2050. The task force must also study how to incentivize the production and use of sustainable aviation fuel and consult with aviation industry representatives to determine the production levels needed to deliver net-zero emissions in aviation by 2050.

Subd. 2. **Membership.** Appointments to the working group are made pursuant to Minnesota Statutes, section 15.0597. Appointments to the working group must attempt to achieve equitable representation from agricultural interests, renewable fuel producers, transportation fuel producers, technology providers, Tribal communities, environmental science organizations, environmental justice organizations, automotive manufacturers, forestry interests, electric utilities, electric vehicle charging infrastructure companies, aviation interests, and water quality interests.

Subd. 3. **Administration.** Appointments and designations to the working group authorized by this section must be completed by July 1, 2023. Public members serve without compensation or payment of expenses. The members of the working group must select a chair from its membership who must not be a commissioner or their designee.

Subd. 4. **Report.** By February 1, 2024, the working group must submit its findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and energy policy.

Subd. 5. **Expiration.** The working group expires on January 1, 2025, or upon submission of the report required under subdivision 4, whichever is earlier.

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

Sec. 57. **ELECTRIC VEHICLE TAX AND REGISTRATION STUDY REQUIRED.**

By January 1, 2024, the commissioners of transportation and management and budget must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and finance policy regarding the equalization of registration fees imposed on electric vehicles with the gasoline tax revenue generated by gasoline-powered vehicles. The study must, at a minimum, evaluate proposals and recommend legislation to determine the amount of revenue needed from registration fees of electric vehicles, plug-in hybrid electric vehicles, and vehicles with efficient gasoline consumption characteristics to equalize the revenue lost from the gasoline tax.

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

Sec. 58. **FEDERAL TRANSPORTATION GRANTS TECHNICAL ASSISTANCE.**

Subdivision 1. **Definition.** For purposes of this section, "commissioner" means the commissioner of transportation.

Subd. 2. **Technical assistance grants.** (a) Subject to an appropriation, the commissioner must establish a process to provide grants for technical assistance to a requesting local unit of government or Tribal government that seeks to submit an application for a federal discretionary grant for a transportation-related purpose.

(b) A transportation-related purpose includes but is not limited to a project, a program, planning, program delivery, administrative costs, ongoing operations, and other related expenditures. Technical assistance includes but is not limited to hiring consultants for identification of available grants, grant writing, analysis, data collection, technical review, legal interpretations necessary to complete an application, planning, pre-engineering, application finalization, and similar activities.

Subd. 3. **Evaluation criteria.** (a) The commissioner must establish a process for solicitation, submission of requests for technical assistance, screening requests, and award of technical assistance grants.

(b) The process must include criteria for projects or purposes that:

(1) address or mitigate the impacts of climate change, including through:

(i) reduction in transportation-related pollution or emissions; and

(ii) improvements to the resiliency of infrastructure that is subject to long-term risks from natural disasters, weather events, or changing climate conditions;

(2) are located in areas of persistent poverty or historically disadvantaged communities disrupted, displaced, or otherwise harmed by the past infrastructure decisions as measured and defined in federal law, guidance, and notices of funding opportunity;

(3) improve safety for motorized and nonmotorized users;

(4) are located in townships or in cities that are eligible for small cities assistance aid under Minnesota Statutes, section 162.145;

(5) support grants to Tribal governments; and

(6) provide for geographic balance of grants throughout the state.

Subd. 4. **Limitations.** (a) A technical assistance grant may not exceed \$30,000.

(b) The commissioner may not award more than one grant to each unit of government in a calendar year. The commissioner may award multiple grants to a Tribal government in a calendar year.

(c) Not less than 15 percent of the available funding must be reserved for Tribal governments. Not less than 15 percent of the available funding must be reserved for townships and for cities that are eligible for small cities assistance aid under Minnesota Statutes, section 162.145. Unused reserved funds at the end of a fiscal year may be used for grants to any eligible recipient in the following fiscal year.

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

Sec. 59. **LEGISLATIVE REPORT; SPEED SAFETY CAMERAS.**

(a) By January 3, 2024, the commissioner of public safety must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance that identifies a process and associated policies for issuance of a mailed citation to the owner or lessee of a motor vehicle that a speed safety camera system detects is operated in violation of a speed limit.

(b) The commissioner must convene a task force to assist in the development of the report. The task force must include the Advisory Council on Traffic Safety under Minnesota Statutes, section

4.076, a representative from the Minnesota County Attorneys Association, a person with expertise in data privacy, and may include other members as the commissioner determines are necessary to develop the report.

(c) At a minimum, the report must include consideration and analysis of:

(1) methods to identify the owner, operator, and any lessee of the motor vehicle;

(2) compliance with federal enforcement requirements related to holders of a commercial driver's license;

(3) authority of individuals who are not peace officers to issue citations;

(4) data practices, including but not limited to concerns related to data privacy;

(5) due process, an appeals process, and the judicial system;

(6) technology options, constraints, and factors;

(7) other legal issues; and

(8) recommendations regarding implementation, including but not limited to any legislative proposal and information on implementation costs.

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

Sec. 60. MIDTOWN GREENWAY BICYCLE AND PEDESTRIAN TRAIL EXPANSION PLANNING.

(a) The Metropolitan Council must plan continuous and dedicated bicycle and pedestrian trails from the current eastern terminus of the Midtown Greenway in Hennepin County to 27th Avenue Southeast in Hennepin County and to Allianz Field in Ramsey County. The Metropolitan Council may use available funding to support project management and implementation, data collection, legal analysis, community engagement, and use of consultants.

(b) When planning the trail expansions, the Metropolitan Council must coordinate with the Hennepin County Regional Railroad Authority, the Ramsey County Regional Railroad Authority, other local governments, and affected property owners.

(c) The bicycle and pedestrian trails to be planned must include the following segments:

(1) Segment 1 from the eastern terminus of the Midtown Greenway extending eastward over the Short Line Bridge on the railroad right-of-way to Cleveland Avenue North in the city of St. Paul. Segment 1 must include a connection to the existing bicycle facility on Pelham Boulevard via a new trail on St. Anthony Avenue;

(2) Segment 2 from the eastern end of the Short Line Bridge extending over marked Interstate Highway 94 to the existing bicycle facility on 27th Avenue Southeast in the city of Minneapolis. Segment 2 must include connections to Franklin Avenue Southeast, Cecil Street Southeast, Seymour

Avenue Southeast, and the existing pedestrian bridge at Seymour Avenue Southeast over marked Interstate Highway 94;

(3) Segment 3 from Cleveland Avenue North extending eastward on Gilbert Avenue to Prior Avenue North and on Prior Avenue North northward to the intersection of Prior Avenue North and St. Anthony Avenue;

(4) Segment 4 from Prior Avenue North extending eastward on St. Anthony Avenue to the existing bicycle and pedestrian bridge at Aldine Street over marked Interstate Highway 94; and

(5) Segment 5 from the intersection of Aldine Street and St. Anthony Avenue to Allianz Field on a route to be determined that does not include railroad right-of-way.

(d) At a minimum, the developed plans must include:

(1) a project layout that provides a safe and consistent two-way, curb-separated trail protected from motor vehicle traffic wherever possible;

(2) features of the existing Midtown Greenway that provide safety and wayfinding, including but not limited to lighting, signage, and emergency call boxes;

(3) an analysis of which portions of the planned trails can be completed independently of other portions. In completing this analysis, the Metropolitan Council may subdivide the segments listed in paragraph (c) as needed;

(4) an analysis of what portions of the planned trails can be completed either without using railroad right-of-way or on railroad right-of-way without significantly affecting current rail operations;

(5) a recommendation for a reasonable easement or shared use agreement for the Short Line Bridge between the railroad and Hennepin County that maintains active rail tracks on the upstream side of the bridge while accommodating a bicycle and pedestrian trail on the downstream side of the bridge; and

(6) estimates for construction costs broken out by segments and features.

(e) The council must allocate revenues collected under Minnesota Statutes, section 297A.9925, for the purpose of the planning activities in paragraphs (a) to (d).

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

Sec. 61. RETROACTIVE DRIVER'S LICENSE REINSTATEMENT.

(a) The commissioner of public safety must make an individual's driver's license eligible for reinstatement if the license is solely suspended pursuant to:

(1) Minnesota Statutes 2020, section 169.92, subdivision 4, if the person did not appear in court (i) in compliance with the terms of a citation for a petty misdemeanor, or (ii) for a violation of Minnesota Statutes, section 171.24, subdivision 1;

(2) Minnesota Statutes 2020, section 171.16, subdivision 2, if the person was convicted only under Minnesota Statutes, section 171.24, subdivision 1 or 2;

(3) Minnesota Statutes 2020, section 171.16, subdivision 3; or

(4) any combination of clauses (1), (2), and (3).

(b) By December 1, 2023, the commissioner must provide written notice to an individual whose license has been made eligible for reinstatement under paragraph (a), addressed to the licensee at the licensee's last known address.

(c) Notwithstanding any law to the contrary, before the license is reinstated, an individual whose driver's license is eligible for reinstatement under paragraph (a) must pay a single reinstatement fee of \$20.

(d) The following applies for an individual who is eligible for reinstatement under paragraph (a) and whose license was suspended, revoked, or canceled under any other provision in Minnesota Statutes:

(1) the suspension, revocation, or cancellation under any other provision in Minnesota Statutes remains in effect;

(2) subject to clause (1), the individual may become eligible for reinstatement under paragraph (a); and

(3) the commissioner is not required to send the notice described in paragraph (b).

(e) Paragraph (a) applies notwithstanding Minnesota Statutes 2020, sections 169.92, subdivision 4; and 171.16, subdivision 2 or 3; or any other law to the contrary.

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

Sec. 62. TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.

(a) The commissioner of public safety must enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an evaluation of the disposition in recent years of citations for speeding, impairment, distraction, and seatbelt violations. The evaluation under the agreement must include but is not limited to analysis of:

(1) rates of citations issued compared to rates of citations contested in court and the outcomes of the cases;

(2) amounts of fines imposed compared to counts and amounts of fine payments; and

(3) any related changes in patterns of traffic enforcement from 2017 to 2022.

(b) The agreement must require the Center for Transportation Studies to submit an interim progress report by July 1, 2024, and a final report by July 1, 2025, to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and public safety.

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

Sec. 63. **VEHICLE REGISTRATION RATES STUDY REQUIRED.**

By January 1, 2024, the commissioners of management and budget and public safety, in consultation with the State Patrol, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The report must examine current and historical vehicle registration rates and provide a projection about anticipated vehicle registration revenues for the next ten years. The report must analyze the factors behind declining vehicle registration and vehicle registration renewal rates, including (1) where Minnesota's vehicle registration fees rank amongst other states and (2) enforcement of Minnesota Statutes, section 168.36 by local law enforcement.

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

Sec. 64. **REVISOR INSTRUCTION.**

The revisor of statutes shall recodify Minnesota Statutes, section 115E.042, subdivision 2, as Minnesota Statutes, section 219.055, subdivision 2a, and Minnesota Statutes, section 115E.042, subdivision 3, as Minnesota Statutes, section 219.055, subdivision 3a. The revisor shall correct any cross-references made necessary by this recodification.

Sec. 65. **REPEALER.**

(a) Minnesota Statutes 2022, sections 167.45; and 360.915, subdivision 5, are repealed.

(b) Minnesota Statutes 2022, sections 168B.15; and 169.829, subdivision 2, are repealed.

(c) Minnesota Rules, parts 7411.0530; and 7411.0535, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; authorizing the sale and issuance of state bonds; modifying various provisions governing transportation finance, including vehicle registration, drivers' licenses, and the motor vehicle sales tax; authorizing the Metropolitan Council to impose a metropolitan region sales tax for roads, transit, and active transportation projects; amending various provisions relating to transportation, motor vehicles, drivers, driver's education, bicycle safety, traffic safety, transit safety, license plates, rail safety, and the Metropolitan Council; requiring reports and studies; creating an advisory council; establishing a Metropolitan Council governance commission; making technical changes; amending Minnesota Statutes 2022, sections 3.9741, subdivision 5; 13.69, subdivision 1; 13.6905, by adding a subdivision; 115E.042, subdivisions 2, 3, 4, 5, 6; 123B.90, subdivision 2; 151.37, subdivision 12; 160.262, subdivision 3; 160.266, subdivisions 1b, 6, by adding a subdivision; 161.045, subdivision 3; 161.088, subdivisions 1, 2, 4, 5, by adding subdivisions; 161.45, subdivisions 1, 2; 161.46, subdivision 2; 161.53; 162.145, subdivisions 2, 3, 4; 168.002, by

adding a subdivision; 168.013, subdivisions 1a, 8; 168.1293, subdivision 7; 168.1295, subdivision 5; 168.1296, subdivision 5; 168.1298, subdivision 5; 168.27, subdivisions 11, 31; 168.326; 168.327, subdivisions 1, 2, 3, 5b, by adding a subdivision; 168.33, subdivision 7; 168.345, subdivision 2; 168.381, subdivision 4; 168A.152, subdivision 2; 168A.29, subdivision 1; 168A.31, subdivision 2; 168D.06; 168D.07; 169.011, subdivision 27; 169.09, subdivision 13, by adding a subdivision; 169.14, by adding a subdivision; 169.18, subdivisions 3, 11; 169.222, subdivision 4, by adding a subdivision; 169.345, subdivision 2; 169.475, subdivisions 2, 3; 169A.60, subdivision 16; 171.01, by adding a subdivision; 171.042; 171.05, subdivision 2; 171.06, subdivisions 2, 3, as amended, by adding a subdivision; 171.061, subdivision 4; 171.07, subdivisions 11, 15; 171.0705, by adding a subdivision; 171.12, subdivision 1a; 171.13, subdivisions 1, 1a, 7; 171.26; 171.29, subdivision 2; 171.36; 174.01, by adding a subdivision; 174.03, subdivision 1c; 174.38, subdivisions 3, 6; 219.015, subdivision 2; 219.1651; 222.37, subdivision 1; 256.9752, by adding a subdivision; 270C.15; 297A.61, subdivision 7; 297A.64, subdivisions 1, 2; 297A.94; 297A.99, subdivision 1; 297B.02, subdivision 1; 297B.09; 299A.01, by adding a subdivision; 299A.55; 299A.705, subdivisions 1, 3, by adding a subdivision; 357.021, subdivisions 6, 7; 360.915, subdivision 6; 473.146, subdivision 1, by adding a subdivision; 473.3994, subdivisions 1a, 4, 7, 9, 14; 473.3995; 473.3997; 473.405, subdivision 4; 473.859, by adding a subdivision; 609.855, subdivisions 1, 3, 7, by adding a subdivision; Laws 2005, First Special Session chapter 6, article 3, section 103; Laws 2018, chapter 214, article 1, section 16, subdivision 11, as amended; Laws 2021, First Special Session chapter 5, article 1, sections 2, subdivision 2; 4, subdivision 5; article 4, section 143; Laws 2022, chapter 39, section 2; proposing coding for new law in Minnesota Statutes, chapters 4; 123B; 160; 161; 162; 168; 169; 171; 174; 219; 290; 297A; 299A; 473; proposing coding for new law as Minnesota Statutes, chapter 168E; repealing Minnesota Statutes 2022, sections 167.45; 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; 168B.15; 169.829, subdivision 2; 299A.705, subdivision 2; 360.915, subdivision 5; Minnesota Rules, parts 7411.0530; 7411.0535."

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

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

S.F. No. 2934: A bill for an act relating to human services; modifying provisions governing the care provider workforce, aging and disability services, and behavioral health; establishing the Department of Behavioral Health; making forecast adjustments; requiring reports; making technical and conforming changes; establishing certain grants; appropriating money; amending Minnesota Statutes 2022, sections 15.01; 15.06, subdivision 1; 43A.08, subdivision 1a; 177.24, by adding a subdivision; 245A.10, subdivision 3; 245D.03, subdivision 1; 245G.01, by adding subdivisions; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, by adding subdivisions; 245G.07, subdivision 2; 245G.22, subdivision 15; 245I.04, subdivision 10, by adding subdivisions; 245I.10, subdivision 6; 252.44; 254B.01, subdivision 8, by adding subdivisions; 254B.05, subdivisions 1, 1a, 5; 256.042, subdivisions 2, 4; 256.045, subdivision 3; 256.478, subdivision 2; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0615, subdivisions 1, 5; 256B.0625, subdivisions 17, 17b, 18a, 18h; 256B.0759, subdivision 2; 256B.0911, subdivision 13; 256B.0913, subdivisions 4, 5; 256B.092, subdivision 1a; 256B.0949, subdivision 15; 256B.49, subdivision 13; 256B.4905, subdivisions 4a, 5a; 256B.4912, by adding subdivisions; 256B.4914, subdivisions 3, 5, 5a, 5b, 6, 8, 9, 9a, 14, by adding subdivisions; 256B.5012, by adding a subdivision; 256B.85, by adding a subdivision; 256B.851, subdivisions 5, 6; 256D.425, subdivision 1; 256M.42; 256R.17, subdivision

2; 256R.25; 256R.47; 256S.15, subdivision 2; 256S.18, by adding a subdivision; 256S.19, subdivision 3; 256S.203, subdivisions 1, 2; 256S.21; 256S.2101; 256S.211, by adding subdivisions; 256S.212; 256S.213; 256S.214; 256S.215, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; 268.19, subdivision 1; Laws 2021, chapter 30, article 12, section 5, as amended; Laws 2021, First Special Session chapter 7, article 17, sections 8; 16; proposing coding for new law in Minnesota Statutes, chapters 252; 254B; 256; 256B; 256S; proposing coding for new law as Minnesota Statutes, chapter 246C; repealing Minnesota Statutes 2022, sections 245G.06, subdivision 2; 245G.11, subdivision 8; 256B.4914, subdivision 6b; 256S.19, subdivision 4.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

DISABILITY SERVICES

Section 1. Minnesota Statutes 2022, section 16A.152, subdivision 1b, is amended to read:

Subd. 1b. **Budget reserve level.** (a) The commissioner of management and budget shall calculate the budget reserve level by multiplying the current biennium's general fund nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

(b) If, on the basis of a November forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted general fund balance at the close of the biennium and that the provisions of subdivision 2, paragraph (a), clauses (1), ~~(2), (3), and (4)~~ to (5), are satisfied, the commissioner shall transfer to the budget reserve account in the general fund the amount necessary to increase the budget reserve to the budget reserve level determined under paragraph (a). The amount of the transfer authorized in this paragraph shall not exceed 33 percent of the positive unrestricted general fund balance determined in the forecast.

Sec. 2. Minnesota Statutes 2022, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following funds, accounts, and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the long-term care access fund established in section 16A.7241, subdivision 1, until the allocated amount equals the long-term care access fund contribution amount calculated in section 16A.7241, subdivision 2;

~~(2)~~ (3) the budget reserve account established in subdivision 1a until that account reaches \$2,377,399,000;

~~(3)~~ (4) 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)~~ (5) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount;

~~(5)~~ (6) the amount necessary to increase the Minnesota 21st century fund by not more than the difference between \$5,000,000 and the sum of the amounts credited and canceled to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum of all transfers under this section and all amounts credited or canceled under Laws 2020, chapter 71, article 1, section 11, equals \$20,000,000; and

~~(6)~~ (7) for a forecast in November only, the amount remaining after the transfer under clause (5) must be used to reduce the percentage of accelerated June liability sales tax payments required under section 289A.20, subdivision 4, paragraph (b), until the percentage equals zero, rounded to the nearest tenth of a percent. By March 15 following the November forecast, the commissioner must provide the commissioner of revenue with the percentage of accelerated June liability owed based on the reduction required by this clause. By April 15 each year, the commissioner of revenue must certify the percentage of June liability owed by vendors based on the reduction required by this clause.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses ~~(3)~~ (4) and ~~(4)~~ (5), 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)~~ (4) and ~~(4)~~ (5), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 3. [16A.7241] LONG-TERM CARE ACCESS FUND.

Subdivision 1. Long-term care access fund established. A long-term care access fund is created in the state treasury. The fund is a direct appropriated special revenue fund. The commissioner shall deposit to the credit of the fund money made available to the fund. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the long-term care access fund not currently needed shall be credited to the long-term care access fund.

Subd. 2. Contribution amount determined. The commissioner of management and budget must determine the long-term care access fund contribution amount when preparing a forecast. The long-term care access fund contribution amount is equal to any amount greater than zero resulting from subtracting the state share of the projected expenditures for the long-term care facility and long-term care waiver portions of the medical assistance program from the state share of the most recently enacted appropriation from the general fund for these portions of the medical assistance program.

Subd. 3. **Allocation of contribution amount.** 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 and that there will be a long-term care access fund contribution amount at the end of the biennium, the commissioner of management and budget must transfer the contribution amount to the long-term care access fund in accordance with the requirements of section 16A.152.

Subd. 4. **Long-term services and supports funding.** The commissioner of human services may expend money appropriated from the long-term care access fund for publicly funded long-term services and supports and for initiatives to prevent or delay the need for Minnesotans to receive publicly funded long-term care services and supports. Money appropriated by law must supplement traditional sources of funding for long-term care services and may not be used as a substitute for forecasted spending.

Sec. 4. Minnesota Statutes 2022, section 179A.54, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 5. Minnesota Statutes 2022, section 245.945, is amended to read:

245.945 REIMBURSEMENT TO OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES.

The commissioner of human services shall obtain federal financial participation for eligible medical assistance administrative activity by the ~~ombudsman for mental health and developmental disabilities~~ Office of Ombudsman for Mental Health and Developmental Disabilities and remit all such money back to the office. The ombudsman shall maintain and transmit to the Department of Human Services documentation that is necessary in order to obtain federal funds.

Sec. 6. Minnesota Statutes 2022, section 245A.03, subdivision 7, is amended to read:

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

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

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

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

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

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

chapter 14. The exception is available until ~~June 30~~ December 31, 2023. This exception is available when:

(i) the person's customized living services are provided in a customized living service setting serving four or fewer people ~~under the brain injury or community access for disability inclusion waiver plans under section 256B.49~~ in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

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

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

(6) new foster care licenses or community residential setting licenses for a customized living setting that is a single-family home in which customized living or 24-hour customized living services were authorized and delivered on June 30, 2021, under the brain injury or community access for disability inclusion waiver plans under section 256B.49 or the elderly waiver under chapter 256S and for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available for any eligible setting licensed as an assisted living facility under chapter 144G on or after August 1, 2021, if the assisted living licensee applies for a license under chapter 245D before December 31, 2023. The initial licensed capacity of the setting under this exception must be four. This exception is available when:

(i) the case manager of each resident of the customized living setting provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice about remaining in the newly licensed setting; and

(ii) the estimated average cost of services provided in the licensed foster care or community residential setting is less than or equal to the estimated average cost of services delivered in the customized living setting as determined by the lead agency.

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

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

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

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

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

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

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

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

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases.

Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

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

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

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

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

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

(3) the alternative method of providing overnight supervision, which may include the use of technology, is specified for each resident in the resident's: (i) individualized plan of care; (ii) individual service plan under section 256B.092, subdivision 1b, if required; or (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required.

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

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

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

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

Sec. 8. Minnesota Statutes 2022, section 245A.11, subdivision 7a, is amended to read:

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

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

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

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

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

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

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

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

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

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

(i) a description of the triggering incident;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Each resident's placement agreement, individual service agreement, and plan must clearly state that the adult foster care ~~or community residential setting~~ license category is a program without the presence of a caregiver in the residence during normal sleeping hours; the protocols in place for

responding to situations that present a serious risk to the health, safety, or rights of residents served by the program under paragraph (e), clause (1) or (2); and a signed informed consent from each resident served by the program or the person's legal representative documenting the person's or legal representative's agreement with placement in the program. If electronic monitoring technology is used in the home, the informed consent form must also explain the following:

- (1) how any electronic monitoring is incorporated into the alternative supervision system;
- (2) the backup system for any electronic monitoring in times of electrical outages or other equipment malfunctions;
- (3) how the caregivers or direct support staff are trained on the use of the technology;
- (4) the event types and license holder response times established under paragraph (e);
- (5) how the license holder protects each resident's privacy related to electronic monitoring and related to any electronically recorded data generated by the monitoring system. A resident served by the program may not be removed from a program under this subdivision for failure to consent to electronic monitoring. The consent form must explain where and how the electronically recorded data is stored, with whom it will be shared, and how long it is retained; and
- (6) the risks and benefits of the alternative overnight supervision system.

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

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

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

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

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

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

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

adequate supervision, health care services, or resident safety in the adult foster care home ~~or community residential setting~~.

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

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

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

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

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

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

Sec. 9. [245D.261] COMMUNITY RESIDENTIAL SETTINGS; REMOTE OVERNIGHT SUPERVISION.

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

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

(c) "Technology" means:

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

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

Subd. 2. Documentation of permissible remote overnight supervision. A license holder providing remote overnight supervision in a community residential setting in lieu of on-site direct support staff must comply with the requirements of this chapter, including the requirement under section 245D.02, subdivision 33b, paragraph (a), clause (3), that the absence of direct support staff

from the community residential setting while services are being delivered must be documented in the resident's support plan or support plan addendum.

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

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

(1) use technology;

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

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

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

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

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

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

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

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

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

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

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

(2) explain the discharge process if a person served by the program requires in-person supervision or other services that cannot be provided by the license holder due to the limited hours that direct support staff are on site;

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

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

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

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

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

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

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

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

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

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

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

Sec. 10. **[256.4761] PROVIDER CAPACITY GRANTS FOR RURAL AND UNDERSERVED COMMUNITIES.**

Subdivision 1. **Establishment and authority.** (a) The commissioner of human services shall award grants to organizations that provide community-based services to rural or underserved communities. The grants must be used to build organizational capacity to provide home and community-based services in the state and to build new or expanded infrastructure to access medical assistance reimbursement.

(b) The commissioner shall conduct community engagement, provide technical assistance, and establish a collaborative learning community related to the grants available under this section and shall work with the commissioner of management and budget and the commissioner of the Department of Administration to mitigate barriers in accessing grant money.

(c) The commissioner shall limit expenditures under this subdivision to the amount appropriated for this purpose.

(d) The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services or that serve historically underserved communities throughout the state.

Subd. 2. **Eligibility.** An eligible applicant for the capacity grants under subdivision 1 is an organization or provider that serves, or will serve, rural or underserved communities and:

(1) provides, or will provide, home and community-based services in the state; or

(2) serves, or will serve, as a connector for communities to available home and community-based services.

Subd. 3. **Allowable grant activities.** Grants under this section must be used by recipients for the following activities:

(1) expanding existing services;

(2) increasing access in rural or underserved areas;

(3) creating new home and community-based organizations;

(4) connecting underserved communities to benefits and available services; or

(5) building new or expanded infrastructure to access medical assistance reimbursement.

Sec. 11. **[256.4762] LONG-TERM CARE WORKFORCE GRANTS FOR NEW AMERICANS.**

Subdivision 1. **Definition.** For the purposes of this section, "new American" means an individual born abroad and the individual's children, irrespective of immigration status.

Subd. 2. **Grant program established.** The commissioner of human services shall establish a grant program for organizations that support immigrants, refugees, and new Americans interested in entering the long-term care workforce.

Subd. 3. **Eligibility.** (a) The commissioner shall select projects for funding under this section. An eligible applicant for the grant program in subdivision 1 is an:

(1) organization or provider that is experienced in working with immigrants, refugees, and people born outside of the United States and that demonstrates cultural competency; or

(2) organization or provider with the expertise and capacity to provide training, peer mentoring, supportive services, and workforce development or other services to develop and implement strategies for recruiting and retaining qualified employees.

(b) The commissioner shall prioritize applications from joint labor management programs.

Subd. 4. **Allowable grant activities.** (a) Money allocated under this section must be used to:

(1) support immigrants, refugees, or new Americans to obtain or maintain employment in the long-term care workforce;

(2) develop connections to employment with long-term care employers and potential employees;

(3) provide recruitment, training, guidance, mentorship, and other support services necessary to encourage employment, employee retention, and successful community integration;

(4) provide career education, wraparound support services, and job skills training in high-demand health care and long-term care fields;

(5) pay for program expenses, including but not limited to hiring instructors and navigators, space rentals, and supportive services to help participants attend classes. Allowable uses for supportive services include but are not limited to:

(i) course fees;

(ii) child care costs;

(iii) transportation costs;

(iv) tuition fees;

(v) financial coaching fees;

(vi) mental health supports; or

(vii) uniforms costs incurred as a direct result of participating in classroom instruction or training;

or

(6) repay student loan debt directly incurred as a result of pursuing a qualifying course of study or training.

Sec. 12. [256.4763] AWARENESS-BUILDING CAMPAIGN FOR THE RECRUITMENT OF DIRECT CARE PROFESSIONALS.

Subdivision 1. **Grant program established.** The commissioner of employment and economic development shall develop and implement paid advertising as part of a comprehensive awareness-building campaign aimed at recruiting direct care professionals to provide long-term care services.

Subd. 2. **Definition.** For purposes of this section, "direct care professionals" means long-term care services employees who provide direct support or care to people using aging, disability, or behavioral health services.

Subd. 3. **Request for proposals; allowable uses of grant money.** (a) The commissioner shall publish a request for proposals to select an outside vendor or vendors to conduct the awareness-building campaign for the recruitment of direct care professionals.

(b) Grant money received under this section may be used:

(1) for the development of recruitment materials for the direct care workforce to be featured on:

(i) television;

(ii) streaming services;

(iii) radio;

(iv) social media;

(v) billboards; and

(vi) other print materials;

(2) for the development of materials and strategies to highlight and promote the positive aspects of the direct care workforce;

(3) purchase of media time or space to feature recruitment materials for the direct care workforce;
and

(4) for administrative costs necessary to implement this grant program.

(c) The Department of Employment and Economic Development may collaborate with relevant state agencies for the purposes of the development and implementation of this campaign and is authorized to transfer administrative money to such agencies to cover any associated administrative costs.

Sec. 13. [256.4764] HOME AND COMMUNITY-BASED WORKFORCE INCENTIVE FUND GRANTS.

Subdivision 1. **Grant program established.** The commissioner of human services shall establish grants for disability and home and community-based providers to assist with recruiting and retaining direct support and frontline workers.

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

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

(c) "Eligible employer" means an organization enrolled in a Minnesota health care program or providing housing services and that is:

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

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

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

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

(1) retention, recruitment, and incentive payments;

(2) postsecondary loan and tuition payments;

(3) child care costs;

(4) transportation-related costs; and

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

(b) Eligible workers may receive payments up to \$1,000 per year from the home and community-based workforce incentive fund.

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

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

(1) the employer is an eligible employer;

(2) the total number of eligible employees;

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

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

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

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

Subd. 5. **Audits and recoupment.** (a) The commissioner may perform an audit under this section up to six years after a grant is awarded to ensure:

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

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

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

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

Subd. 6. **Grants not to be considered income.** (a) For the purposes of this subdivision, "subtraction" has the meaning given in section 290.0132, subdivision 1, paragraph (a), and the rules in that subdivision apply to this subdivision. The definitions in section 290.01 apply to this subdivision.

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

(c) Grant awards under this section are excluded from income, as defined in sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

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

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

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

(3) housing support under chapter 256I;

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

(5) economic assistance programs under chapter 256P.

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

Sec. 14. **[256.4771] SUPPORTED-DECISION-MAKING PROGRAMS.**

Subdivision 1. **Authorization.** The commissioner of human services shall award general operating grants to public and private nonprofit organizations, counties, and Tribes to provide and promote supported decision making.

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

(b) "Supported decision making" has the meaning given in section 524.5-102, subdivision 16a.

(c) "Supported-decision-making services" means services provided to help an individual consider, access, or develop supported decision making, potentially as an alternative to more restrictive forms of decision making, including guardianship and conservatorship. The services may be provided to the individual, family members, or trusted support people. The individual may currently be a person subject to guardianship or conservatorship, but the services must not be used to help a person access a guardianship or conservatorship.

Subd. 3. **Grants.** (a) The grants must be distributed as follows:

(1) at least 75 percent of the grant money must be used to fund programs or organizations that provide supported-decision-making services;

(2) no more than 20 percent of the grant money may be used to fund county or Tribal programs that provide supported-decision-making services; and

(3) no more than five percent of the grant money may be used to fund programs or organizations that do not provide supported-decision-making services but do promote the use and advancement of supported decision making.

(b) The grants must be distributed in a manner to promote racial and geographic diversity in the populations receiving services as determined by the commissioner.

Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy an interim report on the impact and outcomes of the grants, including the number of grants awarded and the organizations receiving the grants. The interim report must include any available evidence of how grantees were able to increase utilization of supported decision making and reduce or avoid more restrictive forms of decision making such as guardianship and conservatorship. By December 1, 2025, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a final report on the impact and outcomes of the grants, including any updated information from the interim report and the total number of people served by the grants. The final report must also detail how the money was used to achieve the requirements in subdivision 3, paragraph (b).

Subd. 5. **Applications.** Any public or private nonprofit agency may apply to the commissioner for a grant under subdivision 3, paragraph (a), clause (1) or (3). Any county or Tribal agency in Minnesota may apply to the commissioner for a grant under subdivision 3, paragraph (a), clause (2). The application must be submitted in a form approved by the commissioner.

Subd. 6. **Duties of grantees.** Every public or private nonprofit agency, county, or Tribal agency that receives a grant to provide or promote supported decision making must comply with rules related to the administration of the grants.

Sec. 15. [256.4773] TECHNOLOGY FOR HOME GRANT.

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

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

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

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

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

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

- (1) consultations in people's homes, workplaces, or community locations;
- (2) connecting people to resources to help them live in their own homes, transition to their own homes, or live more independently in residential settings;
- (3) conduct training and set-up and installation of assistive technology; and
- (4) participate on a person's care team to develop a plan to ensure assistive technology goals are met.

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

Sec. 16. Minnesota Statutes 2022, section 256B.0659, subdivision 1, is amended to read:

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

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

(c) "Behavior," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section. "Level I behavior" means physical aggression ~~towards~~ toward self, others, or destruction of property that requires the immediate response of another person.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health

and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and contributions to employee retirement accounts.

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

Sec. 17. Minnesota Statutes 2022, section 256B.0659, subdivision 12, is amended to read:

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

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

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

- (1) full name of personal care assistant and individual provider number;
- (2) provider name and telephone numbers;
- (3) full name of recipient and either the recipient's medical assistance identification number or date of birth;
- (4) consecutive dates, including month, day, and year, and arrival and departure times with a.m. or p.m. notations;
- (5) signatures of recipient or the responsible party;
- (6) personal signature of the personal care assistant;
- (7) any shared care provided, if applicable;
- (8) a statement that it is a federal crime to provide false information on personal care service billings for medical assistance payments; ~~and~~
- (9) dates and location of recipient stays in a hospital, care facility, or incarceration; and
- (10) any time spent traveling, as described in subdivision 1, paragraph (i), including start and stop times with a.m. and p.m. designations, the origination site, and the destination site.

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

Sec. 18. Minnesota Statutes 2022, section 256B.0659, subdivision 19, is amended to read:

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

(1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 19. Minnesota Statutes 2022, section 256B.0659, subdivision 24, is amended to read:

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

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

(2) comply with general medical assistance coverage requirements;

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

(4) comply with background study requirements;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 20. Minnesota Statutes 2022, section 256B.0911, subdivision 13, is amended to read:

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

(b) MnCHOICES certified assessors must:

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

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

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

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

Sec. 21. Minnesota Statutes 2022, section 256B.0949, subdivision 15, is amended to read:

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

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

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

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

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

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

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

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

(iii) a board-certified behavior analyst; or

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

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

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

(i) has at least 1,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level

by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or a combination of coursework or hours of experience;

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

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

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

(2) a person who has:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 22. Minnesota Statutes 2022, section 256B.49, subdivision 11, is amended to read:

Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and community-based service waivers, as authorized under section 1915(c) of the federal Social Security Act to serve persons under the age of 65 who are determined to require the level of care provided in a nursing home and persons who require the level of care provided in a hospital. The commissioner shall apply for the home and community-based waivers in order to:

- (1) promote the support of persons with disabilities in the most integrated settings;
- (2) expand the availability of services for persons who are eligible for medical assistance;
- (3) promote cost-effective options to institutional care; and
- (4) obtain federal financial participation.

(b) The provision of waiver services to medical assistance recipients with disabilities shall comply with the requirements outlined in the federally approved applications for home and community-based services and subsequent amendments, including provision of services according to a service plan designed to meet the needs of the individual, except when applying a size limitation to a setting, the commissioner must treat residents under 55 years of age who are receiving services under the brain injury or the community access for disability inclusion waiver as if the residents are 55 years of age or older if the residents lived and received services in the setting on or before March 1, 2023. For purposes of this section, the approved home and community-based application is considered the necessary federal requirement.

(c) The commissioner shall provide interested persons serving on agency advisory committees, task forces, the Centers for Independent Living, and others who request to be on a list to receive, notice of, and an opportunity to comment on, at least 30 days before any effective dates, (1) any substantive changes to the state's disability services program manual, or (2) changes or amendments to the federally approved applications for home and community-based waivers, prior to their submission to the federal Centers for Medicare and Medicaid Services.

(d) The commissioner shall seek approval, as authorized under section 1915(c) of the federal Social Security Act, to allow medical assistance eligibility under this section for children under age 21 without deeming of parental income or assets.

(e) The commissioner shall seek approval, as authorized under section 1915(c) of the Social Act, to allow medical assistance eligibility under this section for individuals under age 65 without deeming the spouse's income or assets.

(f) The commissioner shall comply with the requirements in the federally approved transition plan for the home and community-based services waivers authorized under this section, except when

applying a size limitation to a setting, the commissioner must treat residents under 55 years of age who are receiving services under the brain injury or the community access for disability inclusion waiver as if the residents are 55 years of age or older if the residents lived and received services in the setting on or before March 1, 2023.

(g) The commissioner shall seek federal approval to allow for the reconfiguration of the 1915(c) home and community-based waivers in this section, as authorized under section 1915(c) of the federal Social Security Act, to implement a two-waiver program structure.

(h) The commissioner shall seek federal approval for the 1915(c) home and community-based waivers in this section, as authorized under section 1915(c) of the federal Social Security Act, to implement an individual resource allocation methodology.

EFFECTIVE DATE. This section is effective retroactively from January 11, 2021.

Sec. 23. Minnesota Statutes 2022, section 256B.49, subdivision 28, is amended to read:

Subd. 28. **Customized living moratorium for brain injury and community access for disability inclusion waivers.** (a) Notwithstanding section 245A.03, subdivision 2, paragraph (a), clause (23), to prevent new development of customized living settings that otherwise meet the residential program definition under section 245A.02, subdivision 14, the commissioner shall not enroll new customized living settings serving four or fewer people in a single-family home to deliver customized living services as defined under the brain injury or community access for disability inclusion waiver plans under this section.

(b) The commissioner may approve an exception to paragraph (a) when an existing customized living setting changes ownership at the same address and must approve an exception to paragraph (a) when the same owner relocates an existing customized living setting to a new address.

(c) Customized living settings operational on or before June 30, 2021, are considered existing customized living settings.

(d) For any new customized living settings serving four or fewer people in a single-family home to deliver customized living services as defined in paragraph (a) and that was not operational on or before June 30, 2021, the authorizing lead agency is financially responsible for all home and community-based service payments in the setting.

(e) For purposes of this subdivision, "operational" means customized living services are authorized and delivered to a person in the customized living setting.

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

Sec. 24. Minnesota Statutes 2022, section 256B.4905, subdivision 5a, is amended to read:

Subd. 5a. **Employment first implementation for disability waiver services.** (a) The commissioner of human services shall ensure that:

(1) the disability waivers under sections 256B.092 and 256B.49 support the presumption that all working-age Minnesotans with disabilities can work and achieve competitive integrated employment with appropriate services and supports, as needed; and

(2) each waiver recipient of working age be offered, after an informed decision-making process and during a person-centered planning process, the opportunity to work and earn a competitive wage before being offered exclusively day services as defined in section 245D.03, subdivision 1, paragraph (c), clause (4), or successor provisions.

(b) Nothing in this subdivision prohibits a waiver recipient of working age, after an informed decision-making process and during a person-centered planning process, from choosing employment at a special minimum wage under a 14(c) certificate as provided by Code of Federal Regulations, title 29, sections 525.1 to 525.24. For any waiver recipient who chooses employment at a special minimum wage, the commissioner must not impose any limitations on the length of disability services provided to support the recipient's informed choice or limitations on the reimbursement rates for the disability waiver services provided to support the recipient's informed choice.

Sec. 25. Minnesota Statutes 2022, section 256B.4911, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 27. Minnesota Statutes 2022, section 256B.4912, is amended by adding a subdivision to read:

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

Sec. 28. Minnesota Statutes 2022, section 256B.4912, is amended by adding a subdivision to read:

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

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

Sec. 29. Minnesota Statutes 2022, section 256B.4914, subdivision 3, is amended to read:

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

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

- (14) integrated community supports;
- (15) night supervision;
- (16) positive support services;
- (17) prevocational services;
- (18) residential support services;
- (19) ~~respite services~~;
- ~~(20)~~ transportation services; and
- ~~(21)~~ (20) other services as approved by the federal government in the state home and community-based services waiver plan.

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

Sec. 30. Minnesota Statutes 2022, section 256B.4914, subdivision 4, is amended to read:

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

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

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

- (1) shared staffing hours;
- (2) individual staffing hours;
- (3) direct registered nurse hours;
- (4) direct licensed practical nurse hours;
- (5) staffing ratios;
- (6) information to document variable levels of service qualification for variable levels of reimbursement in each framework;
- (7) shared or individualized arrangements for unit-based services, including the staffing ratio;

(8) number of trips and miles for transportation services; and

(9) service hours provided through monitoring technology.

(d) Updates to individual data must include:

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

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

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

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

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

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

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

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

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

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

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

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

(3) (2) on ~~July 1, 2026~~ January 1, 2024, and every two years thereafter, based on wage data by SOC from the Bureau of Labor Statistics available ~~30~~ 24 months and one day prior to the scheduled update.

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

Sec. 32. Minnesota Statutes 2022, section 256B.4914, subdivision 5a, is amended to read:

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

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

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

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

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

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

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

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

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

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

(8) for positive supports analyst staff, 100 percent of the median wage for ~~substance abuse, behavioral disorder, and mental health counselor~~ clinical, counseling, and school psychologists (SOC code ~~21-1018~~ 19-3031);

(9) for positive supports professional staff, 100 percent of the median wage for ~~clinical counseling and school~~ psychologist, all other (SOC code ~~19-3031~~ 19-3039);

(10) for positive supports specialist staff, 100 percent of the median wage for ~~psychiatric technicians~~ occupational therapist (SOC code ~~29-2053~~ 29-1122);

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

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

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

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

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

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

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

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

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

Sec. 33. Minnesota Statutes 2022, section 256B.4914, subdivision 5b, is amended to read:

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

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

~~(2) on November 1, 2024, by the percentage change in the CPI-U from the date of the previous update to the data available as of December 31, 2021; and~~

~~(3)~~ (2) on ~~July~~ January 1, ~~2026~~ 2024, and every two years thereafter, by the percentage change in the CPI-U from the date of the previous update to the data available ~~30~~ 12 months and one day prior to the scheduled update.

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

Sec. 34. Minnesota Statutes 2022, section 256B.4914, subdivision 5c, is amended to read:

Subd. 5c. **Removal of after-framework adjustments.** Any rate adjustments applied to the service rates calculated under this section outside of the cost components and rate methodology specified in this section shall be removed from rate calculations upon implementation of the updates under subdivisions 5 ~~and~~, 5b, and 5f.

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

Sec. 35. Minnesota Statutes 2022, section 256B.4914, subdivision 5d, is amended to read:

Subd. 5d. **Unavailable data for updates and adjustments.** If Bureau of Labor Statistics occupational codes or Consumer Price Index items specified in subdivision 5 ~~or~~, 5b, or 5f are unavailable in the future, the commissioner shall recommend to the legislature codes or items to update and replace.

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

Sec. 36. Minnesota Statutes 2022, section 256B.4914, subdivision 5e, is amended to read:

Subd. 5e. **Inflationary update spending requirement.** (a) At least 80 percent of the marginal increase in revenue from the rate ~~adjustment applied to the service rates~~ adjustments calculated under subdivisions 5 and ~~5b beginning on January 1, 2022,~~ 5f for services rendered ~~between January 1, 2022, and March 31, 2024,~~ on or after the day of implementation of the adjustment must be used

to increase compensation-related costs for employees directly employed by the program ~~on or after January 1, 2022.~~

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to ~~January 1, 2022~~ implementation of the applicable rate adjustment, including retention and recruitment bonuses and tuition reimbursement.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives a rate subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of a rate adjustment subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner or commissioner's representative if an employee believes the employee has not received the compensation-related increase described in the plan.

~~(e) This subdivision expires June 30, 2024.~~

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

Sec. 37. Minnesota Statutes 2022, section 256B.4914, is amended by adding a subdivision to read:

Subd. 5f. Competitive workforce factor adjustments. (a) On January 1, 2024, and every two years thereafter, the commissioner shall update the competitive workforce factor to equal the differential between:

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

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

(b) For each update of the competitive workforce factor, the update must not decrease the competitive workforce factor by more than 2.0. If the competitive workforce factor is less than or equal to zero, then the competitive workforce factor is zero.

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

Sec. 38. Minnesota Statutes 2022, section 256B.4914, subdivision 8, is amended to read:

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

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

- (1) competitive workforce factor: 4.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) program plan support ratio: 15.5 percent;
- (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision 5b;
- (7) general administrative support ratio: 13.25 percent;
- (8) program-related expense ratio: 6.1 percent; and
- (9) absence and utilization factor ratio: 3.9 percent.

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

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

- (1) determine the number of units of service to meet a recipient's needs;
- (2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

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

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

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

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

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

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

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

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

(11) this is the subtotal rate;

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

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

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

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

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

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

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

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

Sec. 39. Minnesota Statutes 2022, section 256B.4914, subdivision 9, is amended to read:

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

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

- (1) competitive workforce factor: 4.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) program plan support ratio: 7.0 percent;
- (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision 5b;
- (7) general administrative support ratio: 13.25 percent;
- (8) program-related expense ratio: 2.9 percent; and
- (9) absence and utilization factor ratio: 3.9 percent.

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

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

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

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

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

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

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

(11) this is the subtotal rate;

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

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

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

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

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

Sec. 40. Minnesota Statutes 2022, section 256B.4914, subdivision 10, is amended to read:

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

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

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

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

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

- (1) values for transportation rates;
 - (2) values for services where monitoring technology replaces staff time;
 - (3) values for indirect services;
 - (4) values for nursing;
 - (5) values for the facility use rate in day services, and the weightings used in the day service ratios and adjustments to those weightings;
 - (6) values for workers' compensation as part of employee-related expenses;
 - (7) values for unemployment insurance as part of employee-related expenses;
 - (8) direct care workforce labor market measures;
 - (9) any changes in state or federal law with a direct impact on the underlying cost of providing home and community-based services;
 - (10) outcome measures, determined by the commissioner, for home and community-based services rates determined under this section; and
 - (11) different competitive workforce factors by service, as determined under subdivision 10b.
- (c) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (a) and (b) on January 15, 2021, with a full report, and a full report once every four years thereafter.
- (d) Beginning July 1, 2022, the commissioner shall renew analysis and implement changes to the regional adjustment factors once every six years. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

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

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

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

- (1) worker wage costs;

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

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy.

(d) The commissioner shall analyze cost data submitted under paragraph (a) and, in consultation with stakeholders identified in subdivision 17, may submit recommendations on component values and inflationary factor adjustments to the chairs and ranking minority members of the legislative committees with jurisdiction over human services once every four years beginning January 1, 2021. The commissioner shall make recommendations in conjunction with reports submitted to the legislature according to subdivision 10, paragraph (c).

(e) The commissioner shall release cost data in an aggregate form, and cost data from individual providers shall not be released except as provided for in current law.

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

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

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

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

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

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

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

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

~~(c) The commissioner shall not recommend an increase or decrease of the competitive workforce factor from the current value by more than two percentage points. If, after a biennial analysis for the next report, the competitive workforce factor is less than or equal to zero, the commissioner shall recommend a competitive workforce factor of zero. This subdivision expires upon submission of the calendar year 2030 report.~~

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

Sec. 43. Minnesota Statutes 2022, section 256B.4914, subdivision 12, is amended to read:

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

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

(1) the person has a developmental disability and:

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

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

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

(2) the person receives long-term care services and has an assessment score that indicates the person hears only very loud sounds, the person has no useful hearing, or a determination cannot be

made; and the person receives long-term care services and has an assessment that indicates the person communicates needs with sign language, symbol board, written messages, gestures, or an interpreter; communicates with inappropriate content, makes garbled sounds or displays echolalia, or does not communicate needs.

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

Sec. 44. Minnesota Statutes 2022, section 256B.4914, subdivision 14, is amended to read:

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

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

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

(1) an individual has service needs that cannot be met through additional units of service;

(2) an individual's rate determined under subdivisions 6 to ~~9a~~ 9 is so insufficient that it has resulted in an individual receiving a notice of discharge from the individual's provider; or

(3) an individual's service needs, including behavioral changes, require a level of service which necessitates a change in provider or which requires the current provider to propose service changes beyond those currently authorized.

(d) Exception requests must include the following information:

(1) the service needs required by each individual that are not accounted for in subdivisions 6 to ~~9a~~ 9;

(2) the service rate requested and the difference from the rate determined in subdivisions 6 to ~~9a~~ 9;

(3) a basis for the underlying costs used for the rate exception and any accompanying documentation; and

(4) any contingencies for approval.

(e) Approved rate exceptions shall be managed within lead agency allocations under sections 256B.092 and 256B.49.

(f) Individual disability waiver recipients, an interested party, or the license holder that would receive the rate exception increase may request that a lead agency submit an exception request. A lead agency that denies such a request shall notify the individual waiver recipient, interested party, or license holder of its decision and the reasons for denying the request in writing no later than 30 days after the request has been made and shall submit its denial to the commissioner in accordance with paragraph (b). The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).

(g) The commissioner shall determine whether to approve or deny an exception request no more than 30 days after receiving the request. If the commissioner denies the request, the commissioner shall notify the lead agency and the individual disability waiver recipient, the interested party, and the license holder in writing of the reasons for the denial.

(h) The individual disability waiver recipient may appeal any denial of an exception request by either the lead agency or the commissioner, pursuant to sections 256.045 and 256.0451. When the denial of an exception request results in the proposed demission of a waiver recipient from a residential or day habilitation program, the commissioner shall issue a temporary stay of demission, when requested by the disability waiver recipient, consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c). The temporary stay shall remain in effect until the lead agency can provide an informed choice of appropriate, alternative services to the disability waiver.

(i) Providers may petition lead agencies to update values that were entered incorrectly or erroneously into the rate management system, based on past service level discussions and determination in subdivision 4, without applying for a rate exception.

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

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

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

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

Sec. 45. Minnesota Statutes 2022, section 256B.492, is amended to read:

256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE WITH DISABILITIES.

(a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in the following settings:

(1) home and community-based settings that comply with:

(i) all requirements identified by the federal Centers for Medicare and Medicaid Services in the Code of Federal Regulations, title 42, section 441.301(c)₂; and

~~with~~ (ii) the requirements of the federally approved transition plan and waiver plans for each home and community-based services waiver except when applying a size limitation to a setting, the commissioner must treat residents under 55 years of age who are receiving services under the brain injury or the community access for disability inclusion waiver as if the residents are 55 years of age or older if the residents lived and received services in the setting on or before March 1, 2023; and

(2) settings required by the Housing Opportunities for Persons with AIDS Program.

(b) The settings in paragraph (a) must not have the qualities of an institution which include, but are not limited to: regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions agreed to and documented in the person's individual service plan shall not result in a residence having the qualities of an institution as long as the restrictions for the person are not imposed upon others in the same residence and are the least restrictive alternative, imposed for the shortest possible time to meet the person's needs.

Sec. 46. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision to read:

Subd. 19. **ICF/DD rate increase effective July 1, 2023.** (a) Effective July 1, 2023, the daily operating payment rate for a class A intermediate care facility for persons with developmental disabilities is increased by \$50.

(b) Effective July 1, 2023, the daily operating payment rate for a class B intermediate care facility for persons with developmental disabilities is increased by \$50.

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

Sec. 47. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision to read:

Subd. 20. **ICF/DD minimum daily operating payment rates.** (a) The minimum daily operating payment rate for a class A intermediate care facility for persons with developmental disabilities is \$300.

(b) The minimum daily operating payment rate for a class B intermediate care facility for persons with developmental disabilities is \$400.

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

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

Subd. 21. **Spending requirements.** (a) At least 80 percent of the marginal increase in revenue resulting from implementation of the rate increases under subdivisions 19 and 20 for services rendered on or after the day of implementation of the increases must be used to increase compensation-related costs for employees directly employed by the facility.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to implementation of the rate increases.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new rate methodology or any rate adjustment subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan.

Sec. 49. Minnesota Statutes 2022, section 256B.85, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 50. Minnesota Statutes 2022, section 256B.85, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

Sec. 51. Minnesota Statutes 2022, section 256B.851, subdivision 5, is amended to read:

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

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

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

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

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

- (1) personal care assistance services and CFSS: 92.10 percent;
- (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.10 percent; and

(3) qualified professional services and CFSS worker training and development: 92.10 percent.

(d) Beginning January 1, 2025, the commissioner shall use the following worker retention components:

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

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

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

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

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

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

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

Sec. 52. Minnesota Statutes 2022, section 256B.851, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

(8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment rate.

(b) In processing claims, the commissioner shall incorporate a staff retention component as specified under subdivision 5 by multiplying the total adjusted payment rate by one plus the appropriate staff retention component under subdivision 5. This is the total payment rate.

~~(b)~~(c) The commissioner must publish the total ~~adjusted~~ final payment rates.

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

Sec. 53. Minnesota Statutes 2022, section 256S.2101, subdivision 1, is amended to read:

Subdivision 1. **Phase-in for disability waiver customized living rates.** All rates and rate components for community access for disability inclusion customized living and brain injury customized living under section 256B.4914 ~~shall~~ must be the sum of ~~ten 21.6~~ percent of the rates calculated under sections 256S.211 to 256S.215 and ~~90~~ 78.4 percent of the rates calculated using the rate methodology in effect as of June 30, 2017.

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

Sec. 54. Minnesota Statutes 2022, section 289A.20, subdivision 4, is amended to read:

Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred, or following another reporting period as the commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f) or (g), except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30, except a vendor of construction materials as defined in paragraph (e), must remit the June liability for the next year in the following manner:

(1) Two business days before June 30 of calendar year 2020 and 2021, the vendor must remit 87.5 percent of the estimated June liability to the commissioner. Two business days before June 30 of calendar year 2022 and thereafter, the vendor must remit 84.5 percent, or a reduced percentage

as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause ~~(6)~~ (7), of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) A vendor having a liability of:

(1) \$10,000 or more, but less than \$250,000, during a fiscal year must remit by electronic means all liabilities on returns due for periods beginning in all subsequent calendar years on or before the 20th day of the month following the month in which the taxable event occurred, or on or before the 20th day of the month following the month in which the sale is reported under section 289A.18, subdivision 4; or

(2) \$250,000 or more during a fiscal year must remit by electronic means all liabilities in the manner provided in paragraph (a) on returns due for periods beginning in the subsequent calendar year, except that a vendor subject to the remittance requirements of paragraph (b) must remit the percentage of the estimated June liability, as provided in paragraph (b), clause (1), which is due two business days before June 30. The remaining amount of the June liability is due on August 20.

(d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious beliefs from paying electronically shall be allowed to remit the payment by mail. The filer must notify the commissioner of revenue of the intent to pay by mail before doing so on a form prescribed by the commissioner. No extra fee may be charged to a person making payment by mail under this paragraph. The payment must be postmarked at least two business days before the due date for making the payment in order to be considered paid on a timely basis.

(e) For the purposes of paragraph (b), "vendor of construction materials" means a retailer that sells any of the following construction materials, if 50 percent or more of the retailer's sales revenue for the fiscal year ending June 30 is from the sale of those materials:

(1) lumber, veneer, plywood, wood siding, wood roofing;

(2) millwork, including wood trim, wood doors, wood windows, wood flooring; or

(3) concrete, cement, and masonry.

(f) Paragraph (b) expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause ~~(6)~~ (7).

Sec. 55. Minnesota Statutes 2022, section 289A.60, subdivision 15, is amended to read:

Subd. 15. Accelerated payment of June sales tax liability; penalty for underpayment. (a) For payments made after December 31, 2019, and before December 31, 2021, if a vendor is required by law to submit an estimation of June sales tax liabilities and 87.5 percent payment by a certain date, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of 87.5 percent of the preceding May's liability or 87.5 percent of the average monthly liability for the previous calendar year.

(b) For payments made after December 31, 2021, the penalty must not be imposed if the amount remitted in June equals the lesser of 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause ~~(6)~~ (7), of the preceding May's liability or 84.5 percent of the average monthly liability for the previous calendar year.

(c) This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause ~~(6)~~ (7).

Sec. 56. Laws 2021, First Special Session chapter 7, article 17, section 16, is amended to read:

Sec. 16. RESEARCH ON ACCESS TO LONG-TERM CARE SERVICES AND FINANCING.

(a) This act includes \$400,000 in fiscal year 2022 and \$300,000 in fiscal year 2023 for an actuarial research study of public and private financing options for long-term services and supports reform to increase access across the state. Any unexpended amount in fiscal year 2023 is available through June 30, 2024. The commissioner of human services must conduct the study. Of this amount, the commissioner may transfer up to \$100,000 to the commissioner of commerce for costs related to the requirements of the study. The general fund base included in this act for this purpose is \$0 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) All activities must be completed by June 30, 2024.

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

Sec. 57. Laws 2021, First Special Session chapter 7, article 17, section 20, is amended to read:

Sec. 20. HCBS WORKFORCE DEVELOPMENT GRANT.

Subdivision 1. **Appropriation.** (a) This act includes \$0 in fiscal year 2022 and ~~\$5,588,000~~ \$0 in fiscal year 2023 to address challenges related to attracting and maintaining direct care workers who provide home and community-based services for people with disabilities and older adults. The general fund base included in this act for this purpose is ~~\$5,588,000~~ \$11,176,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) At least 90 percent of funding for this provision must be directed to workers who earn ~~200~~ 300 percent or less of the most current federal poverty level issued by the United States Department of Health and Human Services.

(c) The commissioner must consult with stakeholders to finalize a report detailing the final plan for use of the funds. The commissioner must publish the report by March 1, 2022, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 2. **Public assistance eligibility.** Notwithstanding any law to the contrary, workforce development grant money received under this section is not income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

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

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

(3) housing support under Minnesota Statutes, chapter 256I;

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

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

Subd. 3. **Medical assistance eligibility.** Notwithstanding any law to the contrary, workforce development grant money received under this section is not income or assets for the purposes of determining eligibility for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a), 3, or 3c; or 256B.057, subdivision 3, 3a, 3b, 4, or 9.

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

Sec. 58. **MEMORANDUMS OF UNDERSTANDING.**

The memorandums of understanding with Service Employees International Union Healthcare Minnesota and Iowa, submitted by the commissioner of management and budget on February 27, 2023, are ratified.

Sec. 59. **SELF-DIRECTED WORKER CONTRACT RATIFICATION.**

The labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota and Iowa, submitted to the Legislative Coordinating Commissioner on February 27, 2023, is ratified.

Sec. 60. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

(a) Effective January 1, 2024, or upon federal approval, whichever is later, consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, must be increased by 8.49 percent.

(b) Effective January 1, 2025, or upon federal approval, whichever is later, consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, must be increased by 4.53 percent.

Sec. 61. **DIRECT CARE SERVICE CORPS PILOT PROJECT.**

Subdivision 1. **Establishment.** The Metropolitan Center for Independent Living must develop a pilot project establishing the Minnesota Direct Care Service Corps. The pilot project must utilize financial incentives to attract postsecondary students to work as personal care assistants or direct support professionals. The Metropolitan Center for Independent Living must establish the financial incentives and minimum work requirements to be eligible for incentive payments. The financial

incentive must increase with each semester that the student participates in the Minnesota Direct Care Service Corps.

Subd. 2. **Pilot sites.** (a) Pilot sites must include one postsecondary institution in the seven-county metropolitan area and at least one postsecondary institution outside of the seven-county metropolitan area. If more than one postsecondary institution outside the metropolitan area is selected, one must be located in northern Minnesota and the other must be located in southern Minnesota.

(b) After satisfactorily completing the work requirements for a semester, the pilot site or its fiscal agent must pay students the financial incentive developed for the pilot project.

Subd. 3. **Evaluation and report.** (a) The Metropolitan Center for Independent Living must contract with a third party to evaluate the pilot project's impact on health care costs, retention of personal care assistants, and patients' and providers' satisfaction of care. The evaluation must include the number of participants, the hours of care provided by participants, and the retention of participants from semester to semester.

(b) By January 15, 2025, the Metropolitan Center for Independent Living must report the findings under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance.

Sec. 62. EMERGENCY GRANT PROGRAM FOR AUTISM SPECTRUM DISORDER TREATMENT AGENCIES.

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

(b) "Autism spectrum disorder" has the meaning given to "autism spectrum disorder or a related condition" in Minnesota Statutes, section 256B.0949, subdivision 2, paragraph (d).

(c) "Autism spectrum disorder treatment services" means treatment delivered under Minnesota Statutes, section 256B.0949.

(d) "Qualified early intensive developmental and behavioral intervention agency" or "qualified EIDBI agency" has the meaning given in Minnesota Statutes, section 256B.0949, subdivision 2, paragraph (c).

Subd. 2. **Emergency grant program for autism spectrum disorder treatment agencies.** The commissioner of human services shall award emergency grant money to eligible qualified EIDBI agencies to support the stability of the autism spectrum disorder treatment provider sector.

Subd. 3. **Eligible agencies.** Qualified EIDBI agencies that have been delivering autism spectrum disorder treatment services for a minimum of six months are eligible to receive emergency grants under this section.

Subd. 4. **Allocation of grants.** (a) Eligible agencies must apply for a grant under this section on an application in the form specified by the commissioner, which at a minimum must contain:

(1) a description of the purpose or project for which grant money will be used;

(2) a description of the specific problem the grant money will address;

(3) a description of achievable objectives, a work plan, and a timeline for implementation and completion of processes or projects enabled by the grant; and

(4) a process for documenting and evaluating results of the grant.

(b) The commissioner shall review each application to determine whether the application is complete and whether the applicant and the project are eligible for a grant. In evaluating applications, the commissioner shall establish criteria, including but not limited to:

(1) the eligibility of the project;

(2) the applicant's thoroughness and clarity in describing the problem grant money is intended to address;

(3) a description of the applicant's proposed project;

(4) a description of the population demographics and service area of the proposed project;

(5) the manner in which the applicant will demonstrate the effectiveness of any projects undertaken;

(6) the proposed project's longevity and demonstrated financial sustainability after the initial grant period; and

(7) the evidence of efficiencies and effectiveness gained through collaborative efforts.

(c) The commissioner may consider other relevant factors in addition to those listed in paragraph (b).

(d) In evaluating applications, the commissioner may request from the applicant additional information regarding a proposed project, including information on project costs. An applicant's failure to provide the information requested disqualifies an applicant.

(e) The commissioner shall determine the number of grants awarded.

(f) The commissioner shall award grants to eligible agencies through December 31, 2025.

Subd. 5. **Eligible uses of grant money.** The commissioner shall develop a list of eligible uses for grants awarded under this section.

Sec. 63. RATE INCREASE FOR CERTAIN HOME CARE SERVICES.

(a) Effective January 1, 2024, or upon federal approval, whichever is later, the commissioner of human services must increase payment rates for home health aide visits by 14 percent from the rates in effect on December 31, 2023. The commissioner must apply the annual rate increases under Minnesota Statutes, section 256B.0653, subdivision 8, to the rates resulting from the application of the rate increases under this paragraph.

(b) Effective January 1, 2024, or upon federal approval, whichever is later, the commissioner must increase payment rates for respiratory therapy under Minnesota Rules, part 9505.0295, subpart 2, item E, and for home health services and home care nursing services, except home health aide visits, under Minnesota Statutes, section 256B.0651, subdivision 2, clauses (1) to (3), by 55 percent from the rates in effect on December 31, 2023. The commissioner must apply the annual rate increases under Minnesota Statutes, sections 256B.0653, subdivision 8, and 256B.0654, subdivision 5, to the rates resulting from the application of the rate increase under this paragraph.

Sec. 64. SPECIALIZED EQUIPMENT AND SUPPLIES LIMIT INCREASE.

Upon federal approval, the commissioner must increase the annual limit for specialized equipment and supplies under Minnesota's federally approved home and community-based service waiver plans, alternative care, and essential community supports to \$10,000.

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

Sec. 65. STUDY TO EXPAND ACCESS TO SERVICES FOR PEOPLE WITH CO-OCCURRING BEHAVIORAL HEALTH CONDITIONS AND DISABILITIES.

The commissioner, in consultation with stakeholders, must evaluate options to expand services authorized under Minnesota's federally approved home and community-based waivers, including positive support, crisis respite, respite, and specialist services. The evaluation may include surveying community providers as to the barriers to meeting people's needs and options to authorize services under Minnesota's medical assistance state plan and strategies to decrease the number of people who remain in hospitals, jails, and other acute or crisis settings when they no longer meet medical or other necessity criteria.

Sec. 66. TEMPORARY GRANT FOR SMALL CUSTOMIZED LIVING PROVIDERS.

(a) The commissioner must establish a temporary grant for:

(1) customized living providers that serve six or fewer people in a single-family home and that are transitioning to a community residential services licensure or integrated community supports licensure; and

(2) community residential service providers and integrated community supports providers who transitioned from providing customized living or 24-hour customized living on or after June 30, 2021.

(b) Allowable uses of grant money include physical plant updates required for community residential services or integrated community supports licensure, technical assistance to adapt business models and meet policy and regulatory guidance, and other uses approved by the commissioner. Allowable uses of grant money also include reimbursement for eligible costs incurred by a community residential service provider or integrated community supports provider directly related to the provider's transition from providing customized living or 24-hour customized living. License holders of eligible settings must apply for grant money using an application process determined by the commissioner. Grant money approved by the commissioner is a onetime award of up to \$20,000

per eligible setting. To be considered for grant money, eligible license holders must submit a grant application by June 30, 2024. The commissioner may approve grant applications on a rolling basis.

Sec. 67. DIRECTION TO COMMISSIONER; SUPPORTED-DECISION-MAKING REIMBURSEMENT STUDY.

By December 15, 2024, the commissioner shall issue a report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over human services detailing how medical assistance service providers could be reimbursed for providing supported-decision-making services. The report must detail recommendations for all medical assistance programs, including all home and community-based programs, to provide for reimbursement for supported-decision-making services. The report must develop detailed provider requirements for reimbursement, including the criteria necessary to provide high-quality services. In developing provider requirements, the commissioner shall consult with all relevant stakeholders, including organizations currently providing supported-decision-making services. The report must also include strategies to promote equitable access to supported-decision-making services to individuals who are Black, Indigenous, or People of Color; people from culturally-specific communities; people from rural communities; and other people who may experience barriers to accessing medical assistance home and community-based services.

Sec. 68. DIRECTION TO COMMISSIONER; APPLICATION OF INTERMEDIATE CARE FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES RATE INCREASES.

The commissioner of human services shall apply the rate increases under Minnesota Statutes, section 256B.5012, subdivisions 19 and 20, as follows:

(1) apply Minnesota Statutes, section 256B.5012, subdivision 19; and

(2) apply any required rate increase as required under Minnesota Statutes, section 256B.5012, subdivision 20, to the results of clause (1).

Sec. 69. DIRECTION TO COMMISSIONER; SHARED SERVICES.

(a) By December 1, 2023, the commissioner of human services shall seek any necessary changes to home and community-based services waiver plans regarding sharing services in order to:

(1) permit shared services for additional services, including chore, homemaker, and night supervision;

(2) permit existing shared services at higher ratios, including individualized home supports without training, individualized home supports with training, and individualized home supports with family training at a ratio of one staff person to three recipients;

(3) ensure that individuals who are seeking to share services permitted under the waiver plans in an own-home setting are not required to live in a licensed setting in order to share services so long as all other requirements are met; and

(4) issue guidance for shared services, including:

(i) informed choice for all individuals sharing the services;

(ii) guidance for when multiple shared services by different providers occur in one home and how lead agencies and individuals shall determine that shared service is appropriate to meet the needs, health, and safety of each individual for whom the lead agency provides case management or care coordination; and

(iii) guidance clarifying that an individual's decision to share services does not reduce any determination of the individual's overall or assessed needs for services.

(b) The commissioner shall develop or provide guidance outlining:

(1) instructions for shared services support planning;

(2) person-centered approaches and informed choice in shared services support planning; and

(3) required contents of shared services agreements.

(c) The commissioner shall seek and utilize stakeholder input for any proposed changes to waiver plans and any shared services guidance.

Sec. 70. DIRECTION TO COMMISSIONER; DISABILITY WAIVER SHARED SERVICES RATES.

The commissioner of human services shall establish a rate system for shared homemaker services and shared chore services provided under Minnesota Statutes, sections 256B.092 and 256B.49. For two persons sharing services, the rate paid to a provider must not exceed 1-1/2 times the rate paid for serving a single individual, and for three persons sharing services, the rate paid to a provider must not exceed two times the rate paid for serving a single individual. These rates apply only when all of the criteria for the shared service have been met.

Sec. 71. DIRECTION TO COMMISSIONER; LIFE-SHARING SERVICES.

Subdivision 1. **Recommendations required.** The commissioner of human services shall develop recommendations for establishing life sharing as a covered medical assistance waiver service.

Subd. 2. **Definition.** For the purposes of this section, "life sharing" means a relationship-based living arrangement between an adult with a disability and an individual or family in which they share their lives and experiences while the adult with a disability receives support from the individual or family using person-centered practices.

Subd. 3. **Stakeholder engagement and consultation.** (a) The commissioner must proactively solicit participation in the development of the life-sharing medical assistance service through a robust stakeholder engagement process that results in the inclusion of a racially, culturally, and geographically diverse group of interested stakeholders from each of the following groups:

(1) providers currently providing or interested in providing life-sharing services;

(2) people with disabilities accessing or interested in accessing life-sharing services;

(3) disability advocacy organizations; and

(4) lead agencies.

(b) The commissioner must proactively seek input into and assistance with the development of recommendations for establishing the life-sharing service from interested stakeholders.

(c) The first meeting must occur before July 31, 2023. The commissioner must meet with stakeholders at least monthly through December 31, 2023. All meetings must be accessible.

Subd. 4. **Required topics to be discussed during development of the recommendations.** The commissioner and the interested stakeholders must discuss the following topics:

(1) the distinction between life sharing, adult family foster care, family residential services, and community residential services;

(2) successful life-sharing models used in other states;

(3) services and supports that could be included in a life-sharing service;

(4) potential barriers to providing or accessing life-sharing services;

(5) solutions to remove identified barriers to providing or accessing life-sharing services;

(6) requirements of a life-sharing agency;

(7) medical assistance payment methodologies for life-sharing providers and life-sharing agencies;

(8) expanding awareness of the life-sharing model; and

(9) draft language for legislation necessary to further define and implement life-sharing services.

Subd. 5. **Report to the legislature.** By December 31, 2023, the commissioner must provide to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over direct care services any draft legislation necessary to implement the rates and requirements for life-sharing services.

Sec. 72. **DIRECTION TO COMMISSIONER; FOSTER CARE MORATORIUM EXCEPTION APPLICATIONS.**

(a) The commissioner must expedite the processing and review of all new and pending applications for an initial foster care or community residential setting license under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clauses (5) and (6).

(b) The commissioner must include on the application materials for an initial foster care or community residential setting license under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clauses (5) and (6), an opportunity for applicants to signify that they are seeking an initial foster care or community residential setting license in order to transition an existing operational customized living setting to a foster care or community residential setting. Operational has the meaning given in section 256B.49, subdivision 28, paragraph (e).

(c) For any pending applications for a license under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5), the commissioner must determine if the applicant is eligible for an exception under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (6), and if so, act upon the application under clause (6) rather than clause (5).

(d) The commissioner must increase to four the licensed capacity of any setting for which the commissioner issued a license under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5), before the final enactment of this act.

(e) This section expires June 30, 2023.

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

Sec. 73. **REPEALER.**

Minnesota Statutes 2022, section 256B.4914, subdivision 9a, is repealed.

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

ARTICLE 2

AGING SERVICES

Section 1. Minnesota Statutes 2022, section 256.9754, is amended to read:

256.9754 COMMUNITY SERVICES DEVELOPMENT LIVE WELL AT HOME GRANTS PROGRAM.

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

(a) "Community" means a town, township, city, or targeted neighborhood within a city, or a consortium of towns, townships, cities, or targeted neighborhoods within cities.

(b) "Core home and community-based services provider" means a Faith in Action, Living at Home/Block Nurse, congregational nurse, or similar community-based program governed by a board, the majority of whose members reside within the program's service area, that organizes and uses volunteers and paid staff to deliver nonmedical services intended to assist older adults to identify and manage risks and to maintain their community living and integration in the community.

(c) "Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation services, caregiver support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support them to remain in their own home.

~~(b)~~ (d) "Older adult services" means any services available under the elderly waiver program or alternative care grant programs; nursing facility services; transportation services; respite services;

and other community-based services identified as necessary either to maintain lifestyle choices for older Minnesotans, or to promote independence.

~~(e)~~ (e) "Older adult" refers to individuals 65 years of age and older.

Subd. 2. **Creation; purpose.** (a) ~~The community services development live well at home grants program is~~ are created under the administration of the commissioner of human services.

(b) The purpose of projects selected by the commissioner of human services under this section is to make strategic changes in the long-term services and supports system for older adults and people with dementia, including statewide capacity for local service development and technical assistance and statewide availability of home and community-based services for older adult services, caregiver support and respite care services, and other supports in Minnesota. These projects are intended to create incentives for new and expanded home and community-based services in Minnesota in order to:

(1) reach older adults early in the progression of their need for long-term services and supports, providing them with low-cost, high-impact services that will prevent or delay the use of more costly services;

(2) support older adults to live in the most integrated, least restrictive community setting;

(3) support the informal caregivers of older adults;

(4) develop and implement strategies to integrate long-term services and supports with health care services, in order to improve the quality of care and enhance the quality of life of older adults and their informal caregivers;

(5) ensure cost-effective use of financial and human resources;

(6) build community-based approaches and community commitment to delivering long-term services and supports for older adults in their own homes;

(7) achieve a broad awareness and use of lower-cost in-home services as an alternative to nursing homes and other residential services;

(8) strengthen and develop additional home and community-based services and alternatives to nursing homes and other residential services; and

(9) strengthen programs that use volunteers.

(c) The services provided by these projects are available to older adults who are eligible for medical assistance and the elderly waiver under chapter 256S, the alternative care program under section 256B.0913, or the essential community supports grant under section 256B.0922, and to persons who have their own money to pay for services.

Subd. 3. ~~Provision of~~ **Community services development grants.** The commissioner shall make community services development grants available to communities, providers of older adult services ~~identified in subdivision 1, or to a consortium of providers of older adult services;~~ to establish older adult services. Grants may be provided for capital and other costs including, but not limited

to, start-up and training costs, equipment, and supplies related to older adult services or other residential or service alternatives to nursing facility care. Grants may also be made to renovate current buildings, provide transportation services, fund programs that would allow older adults or individuals with a disability to stay in their own homes by sharing a home, fund programs that coordinate and manage formal and informal services to older adults in their homes to enable them to live as independently as possible in their own homes as an alternative to nursing home care, or expand state-funded programs in the area.

Subd. 3a. **Priority for other grants.** The commissioner of health shall give priority to a grantee selected under subdivision 3 when awarding technology-related grants, if the grantee is using technology as part of the proposal unless that priority conflicts with existing state or federal guidance related to grant awards by the Department of Health. The commissioner of transportation shall give priority to a grantee under subdivision 3 when distributing transportation-related funds to create transportation options for older adults unless that preference conflicts with existing state or federal guidance related to grant awards by the Department of Transportation.

Subd. 3b. **State waivers.** The commissioner of health may waive applicable state laws and rules for grantees under subdivision 3 on a time-limited basis if the commissioner of health determines that a participating grantee requires a waiver in order to achieve demonstration project goals.

Subd. 3c. **Caregiver support and respite care projects.** (a) The commissioner shall establish projects to expand the availability of caregiver support and respite care services for family and other caregivers. The commissioner shall use a request for proposals to select nonprofit entities to administer the projects. Projects must:

(1) establish a local coordinated network of volunteer and paid respite workers;

(2) coordinate assignment of respite care services to caregivers of older adults;

(3) assure the health and safety of the older adults;

(4) identify at-risk caregivers;

(5) provide information, education, and training for caregivers in the designated community;
and

(6) demonstrate the need in the proposed service area, particularly where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. Preference must be given for projects that reach underserved populations.

(b) Projects must clearly describe:

(1) how they will achieve their purpose;

(2) the process for recruiting, training, and retraining volunteers; and

(3) a plan to promote the project in the designated community, including outreach to persons needing the services.

(c) Money for all projects under this subdivision may be used to:

(1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;

(2) recruit and train volunteer providers;

(3) provide information, training, and education to caregivers;

(4) advertise the availability of the caregiver support and respite care project; and

(5) purchase equipment to maintain a system of assigning workers to clients.

(d) Volunteer and caregiver training must include resources on how to support an individual with dementia.

(e) Project money may not be used to supplant existing funding sources.

Subd. 3d. **Core home and community-based services projects.** The commissioner shall select and contract with core home and community-based services providers for projects to provide services and supports to older adults both with and without family and other informal caregivers using a request for proposals process. Projects must:

(1) have a credible public or private nonprofit sponsor providing ongoing financial support;

(2) have a specific, clearly defined geographic service area;

(3) use a practice framework designed to identify high-risk older adults and help them take action to better manage their chronic conditions and maintain their community living;

(4) have a team approach to coordination and care, ensuring that the older adult participants, their families, and the formal and informal providers are all part of planning and providing services;

(5) provide information, support services, homemaking services, counseling, and training for the older adults and family caregivers;

(6) encourage service area or neighborhood residents and local organizations to collaborate in meeting the needs of older adults in their geographic service areas;

(7) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to older adults and their caregivers; and

(8) provide coordination and management of formal and informal services to older adults and their families using less expensive alternatives.

Subd. 3e. **Community service grants.** The commissioner shall award contracts for grants to public and private nonprofit agencies to establish services that strengthen a community's ability to provide a system of home and community-based services for elderly persons. The commissioner shall use a request for proposals process.

Subd. 3f. **Live well at home grants extension.** (a) A community or organization that has previously received a grant under subdivision 3c, 3d, or 3e that funded a project that has proven to

be successful and that is no longer eligible for funding under subdivision 3c, 3d, or 3e may apply to the commissioner to receive ongoing funding to sustain the project.

(b) In order to be eligible for a grant under this subdivision, a grant applicant must:

(1) have an operating budget of \$300,000 or less;

(2) provide home and community-based services that fill a service gap in a designated geographic area; or

(3) be the only provider of essential community services such as chore services, homemaker services, or transportation in a designated geographic area.

(c) The commissioner shall use a request for proposals process and may use a two-year grant cycle.

Subd. 4. **Eligibility.** Grants may be awarded only to communities and providers or to a consortium of providers that have a local match of 50 percent of the costs for the project in the form of donations, local tax dollars, in-kind donations, fundraising, or other local matches.

Subd. 5. **Grant preference.** The commissioner of human services shall give preference when awarding grants under this section to areas where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. The commissioner may award grants to the extent grant funds are available and to the extent applications are approved by the commissioner. Denial of approval of an application in one year does not preclude submission of an application in a subsequent year. The maximum grant amount is limited to \$750,000.

Sec. 2. [256.9756] CAREGIVER RESPITE SERVICES GRANTS.

Subdivision 1. **Caregiver respite grant program established.** The commissioner of human services must establish a caregiver respite services grant program to increase the availability of respite services for family caregivers of people with dementia and older adults and to provide information, education, and training to respite caregivers and volunteers regarding caring for people with dementia. From the money made available for this purpose, the commissioner must award grants on a competitive basis to respite service providers, giving priority to areas of the state where there is a high need of respite services.

Subd. 2. **Eligible uses.** Grant recipients awarded grant money under this section must use a portion of the grant award as determined by the commissioner to provide free or subsidized respite services for family caregivers of people with dementia and older adults.

Subd. 3. **Report.** By January 15, 2026, and every other January 15 thereafter, the commissioner shall submit a progress report about the caregiver respite services grants in this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services. The progress report must include metrics of the use of grant program money.

Sec. 3. Minnesota Statutes 2022, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person is a citizen of the United States or a United States national;

(2) the person has been determined by a community assessment under section 256B.0911 to be a person who would require the level of care provided in a nursing facility, as determined under section 256B.0911, subdivision 26, but for the provision of services under the alternative care program;

(3) the person is age 65 or older;

(4) the person would be eligible for medical assistance within 135 days of admission to a nursing facility;

(5) the person is not ineligible for the payment of long-term care services by the medical assistance program due to an asset transfer penalty under section 256B.0595 or equity interest in the home exceeding \$500,000 as stated in section 256B.056;

(6) the person needs long-term care services that are not funded through other state or federal funding, or other health insurance or other third-party insurance such as long-term care insurance;

(7) except for individuals described in clause (8), the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the monthly limit described under section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased under this section exceed the difference between the client's monthly service limit defined under section 256S.04, and the alternative care program monthly service limit defined in this paragraph. If care-related supplies and equipment or environmental modifications and adaptations are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services shall be determined. In this event, the annual cost of alternative care services shall not exceed 12 times the monthly limit described in this paragraph;

(8) for individuals assigned a case mix classification A as described under section 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies in bathing, dressing, grooming, walking, and eating when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911, the monthly cost of alternative care services funded by the program cannot exceed \$593 per month for all new participants enrolled in the program on or after July 1, 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit shall be increased annually as described in section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased exceed the difference between the client's monthly service limit defined in this clause and the limit described in clause (7) for case mix classification A; ~~and~~

(9) the person is making timely payments of the assessed monthly fee. A person is ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

(i) the appointment of a representative payee;

(ii) automatic payment from a financial account;

(iii) the establishment of greater family involvement in the financial management of payments;

or

(iv) another method acceptable to the lead agency to ensure prompt fee payments; and

(10) for a person participating in consumer-directed community supports, the person's monthly service limit must be equal to the monthly service limits in clause (7), except that a person assigned a case mix classification L must receive the monthly service limit for case mix classification A.

(b) The lead agency may extend the client's eligibility as necessary while making arrangements to facilitate payment of past-due amounts and future premium payments. Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be reinstated for a period of 30 days.

(c) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown or waiver obligation. A person whose initial application for medical assistance and the elderly waiver program is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, medical assistance must be billed for services payable under the federally approved elderly waiver plan and delivered from the date the individual was found eligible for the federally approved elderly waiver plan. Notwithstanding this provision, alternative care funds may not be used to pay for any service the cost of which: (i) is payable by medical assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a medical assistance income spenddown for a person who is eligible to participate in the federally approved elderly waiver program under the special income standard provision.

(d) Alternative care funding is not available for a person who resides in a licensed nursing home, certified boarding care home, hospital, or intermediate care facility, except for case management services which are provided in support of the discharge planning process for a nursing home resident or certified boarding care home resident to assist with a relocation process to a community-based setting.

(e) Alternative care funding is not available for a person whose income is greater than the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal year for which alternative care eligibility is determined, who would be eligible for the elderly waiver with a waiver obligation.

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

Sec. 4. Minnesota Statutes 2022, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. **Services covered under alternative care.** Alternative care funding may be used for payment of costs of:

- (1) adult day services and adult day services bath;
- (2) home care;
- (3) homemaker services;
- (4) personal care;
- (5) case management and conversion case management;
- (6) respite care;
- (7) specialized supplies and equipment;
- (8) home-delivered meals;
- (9) nonmedical transportation;
- (10) nursing services;
- (11) chore services;
- (12) companion services;
- (13) nutrition services;
- (14) family caregiver training and education;
- (15) coaching and counseling;
- (16) telehome care to provide services in their own homes in conjunction with in-home visits;
- (17) consumer-directed community supports ~~under the alternative care programs which are available statewide and limited to the average monthly expenditures representative of all alternative care program participants for the same case mix resident class assigned in the most recent fiscal year for which complete expenditure data is available;~~
- (18) environmental accessibility and adaptations; and
- (19) discretionary services, for which lead agencies may make payment from their alternative care program allocation for services not otherwise defined in this section or section 256B.0625, following approval by the commissioner.

Total annual payments for discretionary services for all clients served by a lead agency must not exceed 25 percent of that lead agency's annual alternative care program base allocation, except that when alternative care services receive federal financial participation under the 1115 waiver demonstration, funding shall be allocated in accordance with subdivision 17.

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

Sec. 5. Minnesota Statutes 2022, section 256B.0917, subdivision 1b, is amended to read:

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

~~(b) "Community" means a town; township; city; or targeted neighborhood within a city; or a consortium of towns, townships, cities, or specific neighborhoods within a city.~~

~~(c) "Core home and community-based services provider" means a Faith in Action, Living at Home Block Nurse, Congregational Nurse, or similar community-based program governed by a board, the majority of whose members reside within the program's service area, that organizes and uses volunteers and paid staff to deliver nonmedical services intended to assist older adults to identify and manage risks and to maintain their community living and integration in the community.~~

~~(d) "Eldercare development partnership" means a team of representatives of county social service and public health agencies, the area agency on aging, local nursing home providers, local home care providers, and other appropriate home and community-based providers in the area agency's planning and service area.~~

~~(c) "Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation services, caregiver support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support them to remain in their own home.~~

~~(d) "Older adult" refers to an individual who is 65 years of age or older.~~

Sec. 6. Minnesota Statutes 2022, section 256B.0922, subdivision 1, is amended to read:

Subdivision 1. **Essential community supports.** (a) The purpose of the essential community supports program is to provide targeted services to persons age 65 and older who need essential community support, but whose needs do not meet the level of care required for nursing facility placement under section 144.0724, subdivision 11.

(b) Essential community supports are available not to exceed ~~\$400~~ \$600 per person per month. Essential community supports may be used as authorized within an authorization period not to exceed 12 months. Services must be available to a person who:

(1) is age 65 or older;

(2) is not eligible for medical assistance;

(3) has received a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, and does not require the level of care provided in a nursing facility;

(4) meets the financial eligibility criteria for the alternative care program under section 256B.0913, subdivision 4;

(5) has an assessment summary; and

(6) has been determined by a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, to be a person who would require provision of at least one of the following

services, as defined in the approved elderly waiver plan, in order to maintain their community residence:

- (i) adult day services;
- (ii) caregiver support, including respite care;
- (iii) homemaker support;
- (iv) adult companion services;
- ~~(iv)~~ (v) chores;
- ~~(v)~~ (vi) a personal emergency response device or system;
- ~~(vi)~~ (vii) home-delivered meals; or
- ~~(vii)~~ (viii) community living assistance as defined by the commissioner.

(c) The person receiving any of the essential community supports in this subdivision must also receive service coordination, not to exceed \$600 in a 12-month authorization period, as part of their assessment summary.

(d) A person who has been determined to be eligible for essential community supports must be reassessed at least annually and continue to meet the criteria in paragraph (b) to remain eligible for essential community supports.

(e) The commissioner is authorized to use federal matching funds for essential community supports as necessary and to meet demand for essential community supports as outlined in subdivision 2, and that amount of federal funds is appropriated to the commissioner for this purpose.

Sec. 7. Minnesota Statutes 2022, section 256B.434, is amended by adding a subdivision to read:

Subd. 4k. **Property rate increase for certain nursing facilities.** (a) A rate increase under this subdivision ends upon the effective date of the transition of the facility's property rate to a property payment rate under section 256R.26, subdivision 8.

(b) The commissioner shall increase the property rate of a nursing facility located in the city of Saint Paul at 1415 Almond Avenue in Ramsey County by \$10.65 on September 1, 2023.

(c) The commissioner shall increase the property rate of a nursing facility located in the city of Duluth at 3111 Church Place in St. Louis County by \$20.81 on September 1, 2023.

(d) The commissioner shall increase the property rate of a nursing facility located in the city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on September 1, 2023.

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

Sec. 8. Minnesota Statutes 2022, section 256M.42, is amended to read:

256M.42 ADULT PROTECTION GRANT ALLOCATIONS.

Subdivision 1. **Formula.** (a) ~~The commissioner shall allocate state money appropriated under this section on an annual basis to each county board and tribal government approved by the commissioner to assume county agency duties for adult protective services or as a lead investigative agency protection under section 626.557 on an annual basis in an amount determined and to Tribal Nations that have voluntarily chosen by resolution of Tribal government to participate in vulnerable adult protection programs according to the following formula after the award of the amounts in paragraph (c):~~

(1) 25 percent must be allocated to the responsible agency on the basis of the number of reports of suspected vulnerable adult maltreatment under sections 626.557 and 626.5572, ~~when the county or tribe is responsible~~ as determined by the most recent data of the commissioner; and

(2) 75 percent must be allocated to the responsible agency on the basis of the number of screened-in reports for adult protective services or vulnerable adult maltreatment investigations under sections 626.557 and 626.5572, when the county or tribe is responsible as determined by the most recent data of the commissioner.

~~(b) The commissioner is precluded from changing the formula under this subdivision or recommending a change to the legislature without public review and input. Notwithstanding this subdivision, no county must be awarded less than a minimum allocation established by the commissioner.~~

(c) To receive money under this subdivision, a participating Tribal Nation must apply to the commissioner. Of the amount appropriated for purposes of this section, the commissioner must award \$100,000 to each federally recognized Tribal Nation with a Tribal resolution establishing a vulnerable adult protection program. Money received by a Tribal Nation under this section must be used for its vulnerable adult protection program.

Subd. 2. **Payment.** The commissioner shall make allocations for the state fiscal year starting July 1, ~~2019~~ 2023, and to each county board or tribal government on or before October 10, ~~2019~~ 2023. The commissioner shall make allocations under subdivision 1 to each county board or tribal government each year thereafter on or before July 10.

Subd. 3. ~~**Prohibition on supplanting existing money**~~ **Purpose of expenditures.** Money received under this section must be used ~~for staffing for protection of vulnerable adults or to meet the agency's duties under section 626.557 and to expand adult protective services to stop, prevent, and reduce risks of maltreatment for adults accepted for services under section 626.557, or for multidisciplinary teams under section 626.5571. Money must not be used to supplant current county or tribe expenditures for these purposes.~~

Subd. 4. **Required expenditures.** State money must be used to expand, not supplant, county or Tribal expenditures for the fiscal year 2023 base for adult protection programs, service interventions, or multidisciplinary teams. This prohibition on county or Tribal expenditures supplanting state money ends July 1, 2027.

Subd. 5. **County performance on adult protection measures.** The commissioner must set vulnerable adult protection measures and standards for money received under this section. The commissioner must require an underperforming county to demonstrate that the county designated money allocated under this section for the purpose required and implemented a reasonable strategy

to improve adult protection performance, including the provision of a performance improvement plan and additional remedies identified by the commissioner. The commissioner may redirect up to 20 percent of a county's money under this section toward the performance improvement plan.

Subd. 6. **American Indian adult protection.** Tribal Nations shall establish vulnerable adult protection measures and standards and report annually to the commissioner on these outcomes and the number of adults served.

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

Sec. 9. Minnesota Statutes 2022, section 256R.02, subdivision 19, is amended to read:

Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; family advisory council fee under section 144A.33; scholarships under section 256R.37; planned closure rate adjustments under section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d; single-bed room incentives under section 256R.41; property taxes, special assessments, and payments in lieu of taxes; employer health insurance costs; quality improvement incentive payment rate adjustments under section 256R.39; performance-based incentive payments under section 256R.38; special dietary needs under section 256R.51; Public Employees Retirement Association employer costs; and border city facility-specific rate adjustments modifications under section 256R.481.

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

Sec. 10. Minnesota Statutes 2022, section 256R.17, subdivision 2, is amended to read:

Subd. 2. **Case mix indices.** (a) The commissioner shall assign a case mix index to each case mix classification ~~based on the Centers for Medicare and Medicaid Services staff time measurement study~~ as determined by the commissioner of health under section 144.0724.

(b) An index maximization approach shall be used to classify residents. "Index maximization" has the meaning given in section 144.0724, subdivision 2, paragraph (c).

Sec. 11. Minnesota Statutes 2022, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

(a) The payment rate for external fixed costs is the sum of the amounts in paragraphs (b) to (o).

(b) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to \$8.86 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to \$8.86 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

(c) The portion related to the licensure fee under section 144.122, paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

(d) The portion related to development and education of resident and family advisory councils under section 144A.33 is \$5 per resident day divided by 365.

(e) The portion related to scholarships is determined under section 256R.37.

(f) The portion related to planned closure rate adjustments is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

(g) The portion related to consolidation rate adjustments shall be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

(h) The portion related to single-bed room incentives is as determined under section 256R.41.

(i) The portions related to real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable amounts divided by the sum of the facility's resident days. Allowable costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes.

(j) The portion related to employer health insurance costs is the allowable costs divided by the sum of the facility's resident days.

(k) The portion related to the Public Employees Retirement Association is the allowable costs divided by the sum of the facility's resident days.

(l) The portion related to quality improvement incentive payment rate adjustments is the amount determined under section 256R.39.

(m) The portion related to performance-based incentive payments is the amount determined under section 256R.38.

(n) The portion related to special dietary needs is the amount determined under section 256R.51.

(o) The portion related to the rate adjustments for ~~border city facilities~~ facility-specific rate modifications is the amount determined under section 256R.481.

(p) The portion related to the rate adjustment for critical access nursing facilities is the amount determined under section 256R.47.

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

Sec. 12. Minnesota Statutes 2022, section 256R.47, is amended to read:

256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING FACILITIES.

(a) The commissioner, in consultation with the commissioner of health, may designate certain nursing facilities as critical access nursing facilities. The designation shall be granted on a competitive basis, within the limits of funds appropriated for this purpose.

(b) The commissioner shall request proposals from nursing facilities every two years. Proposals must be submitted in the form and according to the timelines established by the commissioner. In selecting applicants to designate, the commissioner, in consultation with the commissioner of health, and with input from stakeholders, shall develop criteria designed to preserve access to nursing facility services in isolated areas, rebalance long-term care, and improve quality. To the extent practicable, the commissioner shall ensure an even distribution of designations across the state.

~~(c) The commissioner shall allow the benefits in clauses (1) to (5)~~ For nursing facilities designated as critical access nursing facilities, the commissioner shall allow a supplemental payment above a facility's operating payment rate as determined to be necessary by the commissioner to maintain access to nursing facilities services in isolated areas identified in paragraph (b). The commissioner must approve the amounts of supplemental payments through a memorandum of understanding. Supplemental payments to facilities under this section must be in the form of time-limited rate adjustments included in the external fixed payment rate under section 256R.25.

~~(1) partial rebasing, with the commissioner allowing a designated facility operating payment rates being the sum of up to 60 percent of the operating payment rate determined in accordance with section 256R.21, subdivision 3, and at least 40 percent, with the sum of the two portions being equal to 100 percent, of the operating payment rate that would have been allowed had the facility not been designated. The commissioner may adjust these percentages by up to 20 percent and may approve a request for less than the amount allowed;~~

~~(2) enhanced payments for leave days. Notwithstanding section 256R.43, upon designation as a critical access nursing facility, the commissioner shall limit payment for leave days to 60 percent of that nursing facility's total payment rate for the involved resident, and shall allow this payment only when the occupancy of the nursing facility, inclusive of bed hold days, is equal to or greater than 90 percent;~~

~~(3) two designated critical access nursing facilities, with up to 100 beds in active service, may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part 4658.0500, subpart 2, in order to jointly employ a director of nursing. The commissioner of health shall consider each waiver request independently based on the criteria under Minnesota Rules, part 4658.0040;~~

~~(4) the minimum threshold under section 256B.431, subdivision 15, paragraph (c), shall be 40 percent of the amount that would otherwise apply; and~~

~~(5) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to designated critical access nursing facilities.~~

(d) Designation of a critical access nursing facility is for a maximum period of up to two years, after which the benefits benefit allowed under paragraph (c) shall be removed. Designated facilities may apply for continued designation.

~~(e) This section is suspended and no state or federal funding shall be appropriated or allocated for the purposes of this section from January 1, 2016, to December 31, 2019.~~

(e) The memorandum of understanding required by paragraph (c) must state that the designation of a critical access nursing facility must be removed if the facility undergoes a change of ownership as defined in section 144A.06, subdivision 2.

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

Sec. 13. Minnesota Statutes 2022, section 256R.481, is amended to read:

256R.481 FACILITY-SPECIFIC RATE ADJUSTMENTS FOR BORDER CITY FACILITIES MODIFICATIONS.

Subdivision 1. Border city facilities. (a) The commissioner shall allow each nonprofit nursing facility located within the boundaries of the city of Breckenridge or Moorhead prior to January 1, 2015, to apply once annually for a rate add-on to the facility's external fixed costs payment rate.

(b) A facility seeking an add-on to its external fixed costs payment rate under this section must apply annually to the commissioner to receive the add-on. A facility must submit the application within 60 calendar days of the effective date of any add-on under this section. The commissioner may waive the deadlines required by this paragraph under extraordinary circumstances.

(c) The commissioner shall provide the add-on to each eligible facility that applies by the application deadline.

(d) The add-on to the external fixed costs payment rate is the difference on January 1 of the median total payment rate for case mix classification PA1 of the nonprofit facilities located in an adjacent city in another state and in cities contiguous to the adjacent city minus the eligible nursing facility's total payment rate for case mix classification PA1 as determined under section 256R.22, subdivision 4.

Subd. 2. Nursing facility in Chisholm; temporary rate add-on. Effective July 1, 2023, through December 31, 2027, the commissioner shall provide an external fixed rate add-on for the nursing facility in the city of Chisholm in the amount of \$11.81. If this nursing facility completes a moratorium exception project that is approved after March 27, 2023, this subdivision expires the day before the effective date of that moratorium rate adjustment or December 31, 2027, whichever is earlier. The commissioner of human services shall notify the revisor of statutes if this subdivision expires prior to December 31, 2027.

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

Sec. 14. Minnesota Statutes 2022, section 256R.53, is amended by adding a subdivision to read:

Subd. 3. Nursing facility in Fergus Falls. Notwithstanding sections 256B.431, 256B.434, and 256R.26, subdivision 9, a nursing facility located in the city of Fergus Falls licensed for 105 beds on September 1, 2021, must have the property portion of its total payment rate determined according to sections 256R.26 to 256R.267.

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

Sec. 15. Minnesota Statutes 2022, section 256R.53, is amended by adding a subdivision to read:

Subd. 4. **Nursing facility in Red Wing.** The operating payment rate for a facility located in the city of Red Wing at 1412 West 4th Street is the sum of its direct care costs per standardized day, its other care-related costs per resident day, and its other operating costs per day.

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

Sec. 16. Minnesota Statutes 2022, section 256S.15, subdivision 2, is amended to read:

Subd. 2. **Foster care limit.** The elderly waiver payment for the foster care service in combination with the payment for all other elderly waiver services, including case management, must not exceed the monthly case mix budget cap for the participant as specified in sections 256S.18, subdivision 3, and 256S.19, ~~subdivisions subdivision 3 and 4.~~

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

Sec. 17. Minnesota Statutes 2022, section 256S.18, is amended by adding a subdivision to read:

Subd. 3a. **Monthly case mix budget caps for consumer-directed community supports.** The monthly case mix budget caps for each case mix classification for consumer-directed community supports must be equal to the monthly case mix budget caps in subdivision 3.

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

Sec. 18. Minnesota Statutes 2022, section 256S.19, subdivision 3, is amended to read:

Subd. 3. **Calculation of monthly conversion budget cap ~~without consumer-directed community supports caps.~~** (a) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services ~~without consumer-directed community supports~~ must be based on the nursing facility case mix adjusted total payment rate of the nursing facility where the elderly waiver applicant currently resides for the applicant's case mix classification as determined according to section 256R.17.

(b) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services ~~without consumer-directed community supports~~ shall must be calculated by multiplying the applicable nursing facility case mix adjusted total payment rate by 365, dividing by 12, and subtracting the participant's maintenance needs allowance.

(c) A participant's initially approved monthly conversion budget cap for elderly waiver services ~~without consumer-directed community supports~~ shall must be adjusted at least annually as described in section 256S.18, subdivision 5.

(d) Conversion budget caps for individuals participating in consumer-directed community supports must be set as described in paragraphs (a) to (c).

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

Sec. 19. Minnesota Statutes 2022, section 256S.203, subdivision 1, is amended to read:

Subdivision 1. **Capitation payments.** The commissioner must adjust the elderly waiver capitation payment rates for managed care organizations paid to reflect the monthly service rate limits for

customized living services and 24-hour customized living services established under section 256S.202 ~~and~~, the rate adjustments for disproportionate share facilities under section 256S.205, and the assisted living facility closure payments under section 256S.206.

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

Sec. 20. Minnesota Statutes 2022, section 256S.203, subdivision 2, is amended to read:

Subd. 2. **Reimbursement rates.** Medical assistance rates paid to customized living providers by managed care organizations under this chapter must not exceed the monthly service rate limits and component rates as determined by the commissioner under sections 256S.15 and 256S.20 to 256S.202, plus any rate adjustment or special payment under section 256S.205 or 256S.206.

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

Sec. 21. Minnesota Statutes 2022, section 256S.205, subdivision 3, is amended to read:

Subd. 3. **Rate adjustment eligibility criteria.** Only facilities satisfying all of the following conditions on September 1 of the application year are eligible for designation as a disproportionate share facility:

- (1) at least ~~83.5~~ 80 percent of the residents of the facility are customized living residents; and
- (2) at least ~~70~~ 50 percent of the customized living residents are elderly waiver participants.

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

Sec. 22. Minnesota Statutes 2022, section 256S.205, subdivision 5, is amended to read:

Subd. 5. **Rate adjustment; rate floor.** (a) Notwithstanding the 24-hour customized living monthly service rate limits under section 256S.202, subdivision 2, and the component service rates established under section 256S.201, subdivision 4, the commissioner must establish a rate floor equal to ~~\$119~~ \$139 per resident per day for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility.

(b) The commissioner must apply the rate floor to the services described in paragraph (a) provided during the rate year.

(c) The commissioner must adjust the rate floor by the same amount and at the same time as any adjustment to the 24-hour customized living monthly service rate limits under section 256S.202, subdivision 2.

(d) The commissioner shall not implement the rate floor under this section if the customized living rates established under sections 256S.21 to 256S.215 will be implemented at 100 percent on January 1 of the year following an application year.

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

Sec. 23. **[256S.206] ASSISTED LIVING FACILITY CLOSURE PAYMENTS.**

Subdivision 1. Assisted living facility closure payments provided. The commissioner of human services shall establish a special payment program to support licensed assisted living facilities who serve waiver participants under section 256B.49 and chapter 256S when the assisted living facility is acting to close the facility as outlined in section 144G.57. The payments must support the facility to meet the health and safety needs of residents during facility occupancy and revenue decline.

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

(b) "Closure period" means the number of days in the approved closure plan for the eligible facility as determined by the commissioner of health under section 144G.57, not to exceed 60 calendar days.

(c) "Eligible claim" means a claim for customized living services and 24-hour customized living services provided to waiver participants under section 256B.49 and chapter 256S during the eligible facility's closure period.

(d) "Eligible facility" means a licensed assisted living facility that has an approved closure plan, as determined by the commissioner of health under section 144G.57, that is acting to close the facility and no longer serve residents in that setting. A facility where a provider is relinquishing an assisted living facility license to transition to a different license type is not an eligible facility.

Subd. 3. Application. (a) An eligible facility may apply to the commissioner of human services for assisted living closure transition payments in the manner prescribed by the commissioner.

(b) The commissioner shall notify the facility within 14 calendars days of the facility's application about the result of the application, including whether the facility meets the definition of an eligible facility.

Subd. 4. Issuing closure payments. (a) The commissioner must increase the payment for eligible claims by 50 percent during the eligible facility's closure period.

(b) The commissioner must direct managed care organizations to increase the payment for eligible claims by 50 percent during the eligible facility's closure period for eligible claims submitted to managed care organizations.

Subd. 5. Interagency coordination. The commissioner of human services must coordinate the activities under this section with any impacted state agencies and lead agencies.

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

Sec. 24. Minnesota Statutes 2022, section 256S.21, is amended to read:

256S.21 RATE SETTING; APPLICATION; EVALUATION.

Subdivision 1. **Application of rate setting.** The ~~payment~~ rate methodologies in sections 256S.2101 to 256S.215 apply to:

(1) elderly waiver, elderly waiver customized living, and elderly waiver foster care under this chapter;

(2) alternative care under section 256B.0913;

(3) essential community supports under section 256B.0922; and

(4) community access for disability inclusion customized living and brain injury customized living under section 256B.49.

Subd. 2. **Evaluation of rate setting.** (a) Beginning January 1, 2024, and every two years thereafter, the commissioner, in consultation with stakeholders, shall use all available data and resources to evaluate the following rate setting elements:

(1) the base wage index;

(2) the factors and supervision wage components; and

(3) the formulas to calculate adjusted base wages and rates.

(b) Beginning January 15, 2026, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services finance and policy with a full report on the information and data gathered under paragraph (a).

Subd. 3. **Cost reporting.** (a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but are not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to the provider's submission due date. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner shall provide notice to the provider, and if by 60 days after the required submission date a provider has not provided the required data, the commissioner shall provide a second notice. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments must be made once data is received by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in section 256S.2101, subdivision 3, through the reports directed by subdivision 2.

EFFECTIVE DATE. Subdivisions 1 and 2 are effective January 1, 2024. Subdivision 3 is effective January 1, 2025.

Sec. 25. Minnesota Statutes 2022, section 256S.2101, subdivision 2, is amended to read:

Subd. 2. **Phase-in for elderly waiver rates.** Except for home-delivered meals ~~as described in section 256S.215, subdivision 15~~ and the services in subdivision 2a, all rates and rate components for elderly waiver, elderly waiver customized living, and elderly waiver foster care under this chapter; alternative care under section 256B.0913; and essential community supports under section 256B.0922 shall be:

(1) beginning January 1, 2024, the sum of ~~48.8~~ 27.8 percent of the rates calculated under sections 256S.211 to 256S.215, and ~~81.2~~ 72.2 percent of the rates calculated using the rate methodology in effect as of June 30, 2017. ~~The rate for home-delivered meals shall be the sum of the service rate in effect as of January 1, 2019, and the increases described in section 256S.215, subdivision 15; and~~

(2) beginning January 1, 2026, the sum of 25 percent of the rates calculated under sections 256S.211 to 256S.215, and 75 percent of the rates calculated using the rate methodology in effect as of June 30, 2017.

Sec. 26. Minnesota Statutes 2022, section 256S.2101, is amended by adding a subdivision to read:

Subd. 2a. **Service rates exempt from phase-in.** Subdivision 2 does not apply to rates for homemaker services described in section 256S.215, subdivisions 9 to 11.

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

Sec. 27. Minnesota Statutes 2022, section 256S.2101, is amended by adding a subdivision to read:

Subd. 3. **Spending requirements.** (a) Except for community access for disability inclusion customized living and brain injury customized living under section 256B.49, at least 80 percent of the marginal increase in revenue from the implementation of any adjustments to the phase-in in subdivision 2, or any updates to services rates directed under section 256S.211, subdivision 3, must be used to increase compensation-related costs for employees directly employed by the provider.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of the adjusted phase-in in subdivision 2, including any concurrent or subsequent adjustments to the base wage indices.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new phase-in proportion or adjustment to the base wage indices subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan.

Sec. 28. Minnesota Statutes 2022, section 256S.211, is amended by adding a subdivision to read:

Subd. 3. **Updating services rates.** On January 1, 2024, and every two years thereafter, the commissioner shall recalculate rates for services as directed in section 256S.215. Prior to recalculating the rates, the commissioner shall:

(1) update the base wage index for services in section 256S.212 based on the most recently available Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington, MN-WI MetroSA data;

(2) update the payroll taxes and benefits factor in section 256S.213, subdivision 1, based on the most recently available nursing facility cost report data;

(3) update the supervision wage components in section 256S.213, subdivisions 4 and 5, based on the most recently available Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington, MN-WI MetroSA data; and

(4) update the adjusted base wage for services as directed in section 256S.214.

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

Sec. 29. Minnesota Statutes 2022, section 256S.211, is amended by adding a subdivision to read:

Subd. 4. **Updating home-delivered meals rate.** On January 1 of each year, the commissioner shall update the home-delivered meals rate in section 256S.215, subdivision 15, by the percent increase in the nursing facility dietary per diem using the two most recently available nursing facility cost reports.

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

Sec. 30. Minnesota Statutes 2022, section 256S.212, is amended to read:

256S.212 RATE SETTING; BASE WAGE INDEX.

Subdivision 1. **Updating SOC codes.** If any of the SOC codes and positions used in this section are no longer available, the commissioner shall, in consultation with stakeholders, select a new SOC code and position that is the closest match to the previously used SOC position.

Subd. 2. **Home management and support services base wage.** For customized living, and foster care, ~~and residential care~~ component services, the home management and support services base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home care aide~~ (SOC code ~~39-9021~~ 31-1120); 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for food preparation workers (SOC code 35-2021); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 3. **Home care aide base wage.** For customized living, ~~and foster care, and residential care~~ component services, the home care aide base wage equals ~~50~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health ~~and personal care aides~~ (SOC

code ~~31-1014~~ 31-1120); and ~~50~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131).

Subd. 4. **Home health aide base wage.** For customized living; and foster care; ~~and residential care~~ component services, the home health aide base wage equals ~~20~~ 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); ~~and 80~~ 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120).

Subd. 5. **Medication setups by licensed nurse base wage.** For customized living; and foster care; ~~and residential care~~ component services, the medication setups by licensed nurse base wage equals ~~ten~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and ~~90~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

Subd. 6. **Chore services base wage.** The chore services base wage equals ~~100~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for landscaping and groundskeeping workers (SOC code 37-3011); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 7. **Companion services base wage.** The companion services base wage equals ~~50~~ 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care aides (SOC code ~~39-9021~~ 31-1120); and ~~50~~ 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 8. **Homemaker services ~~and~~ assistance with personal care base wage.** The homemaker ~~services and~~ assistance with personal care base wage equals ~~60~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care ~~aide~~ aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131); ~~and 20~~ percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code ~~37-2012~~).

Subd. 9. **Homemaker services ~~and~~ cleaning base wage.** The homemaker ~~services and~~ cleaning base wage equals ~~60~~ percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~personal and home care aide~~ (SOC code ~~39-9021~~); ~~20~~ percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~); ~~and 20~~ 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 10. **Homemaker services ~~and~~ home management base wage.** The homemaker ~~services and~~ home management base wage equals ~~60~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care ~~aide~~ aides (SOC code

~~39-9021 31-1120); 20 and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014 31-1131); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).~~

Subd. 11. **In-home respite care services base wage.** The in-home respite care services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing assistants~~ home health and personal care aides (SOC code ~~31-1014 31-1120~~); and ~~20~~ ten percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 12. **Out-of-home respite care services base wage.** The out-of-home respite care services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing assistants~~ home health and personal care aides (SOC code ~~31-1014 31-1120~~); and ~~20~~ ten percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 13. **Individual community living support base wage.** The individual community living support base wage equals ~~20~~ 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~licensed practical and licensed vocational nurses~~ social and human services assistants (SOC code ~~29-2061 21-1093~~); and ~~80~~ 40 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014 31-1131~~).

Subd. 14. **Registered nurse base wage.** The registered nurse base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

Subd. 15. ~~Social worker~~ **Unlicensed supervisor base wage.** The ~~social worker~~ unlicensed supervisor base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~medical and public health social~~ first-line supervisors of personal service workers (SOC code ~~21-1022 39-1022~~).

Subd. 16. **Adult day services base wage.** The adult day services base wage equals 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120); and 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1131).

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

Sec. 31. Minnesota Statutes 2022, section 256S.213, is amended to read:

256S.213 RATE SETTING; FACTORS.

Subdivision 1. **Payroll taxes and benefits factor.** The payroll taxes and benefits factor is the sum of net payroll taxes and benefits, divided by the sum of all salaries for all nursing facilities on the most recent and available cost report.

Subd. 2. **General and administrative factor.** The general and administrative factor is ~~the difference of net general and administrative expenses and administrative salaries, divided by total operating expenses for all nursing facilities on the most recent and available cost report~~ 14.4 percent.

Subd. 3. **Program plan support factor.** (a) ~~The program plan support factor is 12.8~~ ten percent for the following services to cover the cost of direct service staff needed to provide support for home and community-based the service when not engaged in direct contact with participants-:

(1) adult day services;

(2) customized living; and

(3) foster care.

(b) The program plan support factor is 15.5 percent for the following services to cover the cost of direct service staff needed to provide support for the service when not engaged in direct contact with participants:

(1) chore services;

(2) companion services;

(3) homemaker assistance with personal care;

(4) homemaker cleaning;

(5) homemaker home management;

(6) in-home respite care;

(7) individual community living support; and

(8) out-of-home respite care.

Subd. 4. **Registered nurse management and supervision factor wage component.** The registered nurse management and supervision ~~factor~~ wage component equals 15 percent of the registered nurse adjusted base wage as defined in section 256S.214.

Subd. 5. ~~Social worker~~ **Unlicensed supervisor supervision factor wage component.** The ~~social worker~~ unlicensed supervisor supervision factor wage component equals 15 percent of the ~~social worker~~ unlicensed supervisor adjusted base wage as defined in section 256S.214.

Subd. 6. **Facility and equipment factor.** The facility and equipment factor for adult day services is 16.2 percent.

Subd. 7. **Food, supplies, and transportation factor.** The food, supplies, and transportation factor for adult day services is 24 percent.

Subd. 8. **Supplies and transportation factor.** The supplies and transportation factor for the following services is 1.56 percent:

- (1) chore services;
- (2) companion services;
- (3) homemaker assistance with personal care;
- (4) homemaker cleaning;
- (5) homemaker home management;
- (6) in-home respite care;
- (7) individual community support services; and
- (8) out-of-home respite care.

Subd. 9. **Absence factor.** The absence factor for the following services is 4.5 percent:

- (1) adult day services;
- (2) chore services;
- (3) companion services;
- (4) homemaker assistance with personal care;
- (5) homemaker cleaning;
- (6) homemaker home management;
- (7) in-home respite care;
- (8) individual community living support; and
- (9) out-of-home respite care.

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

Sec. 32. Minnesota Statutes 2022, section 256S.214, is amended to read:

256S.214 RATE SETTING; ADJUSTED BASE WAGE.

For the purposes of section 256S.215, the adjusted base wage for each position equals the position's base wage under section 256S.212 plus:

(1) the position's base wage multiplied by the payroll taxes and benefits factor under section 256S.213, subdivision 1;

~~(2) the position's base wage multiplied by the general and administrative factor under section 256S.213, subdivision 2; and~~

~~(3)~~ (2) the position's base wage multiplied by the applicable program plan support factor under section 256S.213, subdivision 3; and

(3) the position's base wage multiplied by the absence factor under section 256S.213, subdivision 9, if applicable.

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

Sec. 33. Minnesota Statutes 2022, section 256S.215, subdivision 2, is amended to read:

Subd. 2. **Home management and support services component rate.** The component rate for home management and support services is calculated as follows:

(1) sum the home management and support services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor~~ wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

Sec. 34. Minnesota Statutes 2022, section 256S.215, subdivision 3, is amended to read:

Subd. 3. **Home care aide services component rate.** The component rate for home care aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor~~ wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

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

Sec. 35. Minnesota Statutes 2022, section 256S.215, subdivision 4, is amended to read:

Subd. 4. **Home health aide services component rate.** The component rate for home health aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor~~ wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

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

Sec. 36. Minnesota Statutes 2022, section 256S.215, subdivision 7, is amended to read:

Subd. 7. **Chore services rate.** The 15-minute unit rate for chore services is calculated as follows:

(1) sum the chore services adjusted base wage and the ~~social worker~~ unlicensed supervisor supervision factor wage component; ~~and~~

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

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

Sec. 37. Minnesota Statutes 2022, section 256S.215, subdivision 8, is amended to read:

Subd. 8. **Companion services rate.** The 15-minute unit rate for companion services is calculated as follows:

(1) sum the companion services adjusted base wage and the ~~social worker~~ unlicensed supervisor supervision factor wage component; ~~and~~

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

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

Sec. 38. Minnesota Statutes 2022, section 256S.215, subdivision 9, is amended to read:

Subd. 9. **Homemaker services ~~and~~ assistance with personal care rate.** The 15-minute unit rate for homemaker ~~services and~~ assistance with personal care is calculated as follows:

(1) sum the homemaker ~~services and~~ assistance with personal care adjusted base wage and the ~~registered nurse management and~~ unlicensed supervisor supervision factor wage component; ~~and~~

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

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

Sec. 39. Minnesota Statutes 2022, section 256S.215, subdivision 10, is amended to read:

Subd. 10. **Homemaker services ~~and~~ cleaning rate.** The 15-minute unit rate for homemaker ~~services and~~ cleaning is calculated as follows:

(1) sum the homemaker ~~services and~~ cleaning adjusted base wage and the ~~registered nurse management and~~ unlicensed supervisor supervision factor wage component; ~~and~~

- (2) multiply the result of clause (1) by the general and administrative factor;
- (3) multiply the result of clause (1) by the supplies and transportation factor; and
- (4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

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

Sec. 40. Minnesota Statutes 2022, section 256S.215, subdivision 11, is amended to read:

Subd. 11. **Homemaker services and home management rate.** The 15-minute unit rate for homemaker services and home management is calculated as follows:

- (1) sum the homemaker services and home management adjusted base wage and the ~~registered nurse management and~~ unlicensed supervisor supervision factor wage component; and
- (2) multiply the result of clause (1) by the general and administrative factor;
- (3) multiply the result of clause (1) by the supplies and transportation factor; and
- (4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

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

Sec. 41. Minnesota Statutes 2022, section 256S.215, subdivision 12, is amended to read:

Subd. 12. **In-home respite care services rates.** (a) The 15-minute unit rate for in-home respite care services is calculated as follows:

- (1) sum the in-home respite care services adjusted base wage and the registered nurse management and supervision ~~factor~~ wage component; and
- (2) multiply the result of clause (1) by the general and administrative factor;
- (3) multiply the result of clause (1) by the supplies and transportation factor; and
- (4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

(b) The in-home respite care services daily rate equals the in-home respite care services 15-minute unit rate multiplied by 18.

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

Sec. 42. Minnesota Statutes 2022, section 256S.215, subdivision 13, is amended to read:

Subd. 13. **Out-of-home respite care services rates.** (a) The 15-minute unit rate for out-of-home respite care is calculated as follows:

- (1) sum the out-of-home respite care services adjusted base wage and the registered nurse management and supervision ~~factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

(b) The out-of-home respite care services daily rate equals the 15-minute unit rate for out-of-home respite care services multiplied by 18.

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

Sec. 43. Minnesota Statutes 2022, section 256S.215, subdivision 14, is amended to read:

Subd. 14. **Individual community living support rate.** The individual community living support rate is calculated as follows:

(1) ~~sum the home care aide~~ individual community living support adjusted base wage and the social worker registered nurse management and supervision factor wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

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

Sec. 44. Minnesota Statutes 2022, section 256S.215, subdivision 15, is amended to read:

Subd. 15. **Home-delivered meals rate.** Effective January 1, 2024, the home-delivered meals rate equals \$9.30 is \$8.17, updated as directed in section 256S.211, subdivision 4. The commissioner shall increase the home delivered meals rate every July 1 by the percent increase in the nursing facility dietary per diem using the two most recent and available nursing facility cost reports.

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

Sec. 45. Minnesota Statutes 2022, section 256S.215, subdivision 16, is amended to read:

Subd. 16. **Adult day services rate.** ~~The 15-minute unit rate for adult day services, with an assumed staffing ratio of one staff person to four participants, is the sum of~~ is calculated as follows:

(1) ~~one-sixteenth of the home care aide~~ divide the adult day services adjusted base wage, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent by five to reflect an assumed staffing ratio of one to five;

(2) ~~one-fourth of the registered nurse management and supervision factor~~ sum the result of clause (1) and the registered nurse management and supervision wage component; and

(3) ~~\$0.63 to cover the cost of meals.~~ multiply the result of clause (2) by the general and administrative factor;

(4) multiply the result of clause (2) by the facility and equipment factor;

(5) multiply the result of clause (2) by the food, supplies, and transportation factor; and

(6) sum the results of clauses (2) to (5) and divide the result by four.

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

Sec. 46. Minnesota Statutes 2022, section 256S.215, subdivision 17, is amended to read:

Subd. 17. **Adult day services bath rate.** The 15-minute unit rate for adult day services bath is ~~the sum of~~ calculated as follows:

~~(1) one-fourth of the home care aide sum the adult day services adjusted base wage, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent~~ and the nurse management and supervision wage component;

~~(2) one-fourth of the registered nurse management and supervision~~ multiply the result of clause (1) by the general and administrative factor; and

~~(3) \$0.63 to cover the cost of meals;~~ multiply the result of clause (1) by the facility and equipment factor;

(4) multiply the result of clause (1) by the food, supplies, and transportation factor; and

(5) sum the results of clauses (1) to (4) and divide the result by four.

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

Sec. 47. **DIRECTION TO COMMISSIONER; FUTURE PACE IMPLEMENTATION FUNDING.**

The commissioner of human services must work with stakeholders to develop recommendations for financing mechanisms to complete the actuarial work and cover the administrative costs of a program of all-inclusive care for the elderly (PACE). The commissioner must recommend a financing mechanism that could begin July 1, 2025. By December 15, 2023, the commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance on the commissioner's progress toward developing a recommended financing mechanism.

Sec. 48. **DIRECTION TO COMMISSIONER; CAREGIVER RESPITE SERVICES GRANTS.**

Beginning in fiscal year 2025, the commissioner of human services must continue the respite services for older adults grant program established under Laws 2021, First Special Session chapter 7, article 17, section 17, subdivision 3, under the authority granted under Minnesota Statutes, section 256.9756. The commissioner may begin the grant application process for awarding grants under Minnesota Statutes, section 256.9756, during fiscal year 2024 in order to facilitate the continuity of the grant program during the transition from a temporary program to a permanent one.

Sec. 49. **NURSING FACILITY FUNDING.**

(a) Effective July 1, 2023, through June 30, 2025, the total payment rate for all facilities reimbursed under Minnesota Statutes, chapter 256R, must be increased by an amount per resident day equal to a net state general fund expenditure of \$37,045,000 in fiscal year 2024 and \$37,045,000 in fiscal year 2025. Effective July 1, 2025, the total payment rate for all facilities reimbursed under Minnesota Statutes, chapter 256R, must be increased by an amount per resident day equal to a net state expenditure of \$23,698,000 per fiscal year. The rate increases under this paragraph are add-ons to the facilities' rates calculated under Minnesota Statutes, chapter 256R.

(b) To be eligible to receive a payment under this section, a nursing facility must attest to the commissioner of human services that the additional revenue will be used exclusively to increase compensation-related costs for employees directly employed by the facility on or after July 1, 2023, excluding:

(1) owners of the building and operation;

(2) persons employed in the central office of an entity that has any ownership interest in the nursing facility or exercises control over the nursing facility;

(3) persons paid by the nursing facility under a management contract; and

(4) persons providing separately billable services.

(c) Contracted housekeeping, dietary, and laundry employees providing services on site at the nursing facility are eligible for compensation-related cost increases under this section, provided the agency that employs them submits to the nursing facility proof of the costs of the increases provided to those employees.

(d) For purposes of this section, compensation-related costs include:

(1) permanent new increases to wages and salaries implemented on or after July 1, 2023, and before September 1, 2023, for nursing facility employees;

(2) permanent new increases to wages and salaries implemented on or after July 1, 2023, and before September 1, 2023, for employees in the organization's shared services departments of hospital-attached nursing facilities for the nursing facility allocated share of wages; and

(3) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, PERA, workers' compensation, and pension and employee retirement accounts directly associated with the wage and salary increases in clauses (1) and (2) incurred no later than December 31, 2025, and paid for no later than June 30, 2026.

(e) A facility that receives a rate increase under this section must complete a distribution plan in the form and manner determined by the commissioner. This plan must specify the total amount of money the facility is estimated to receive from this rate increase and how that money will be distributed to increase the allowable compensation-related costs described in paragraph (d) for employees described in paragraphs (b) and (c). This estimate must be computed by multiplying \$28.65 by the sum of the medical assistance and private pay resident days as defined in Minnesota Statutes, section 256R.02, subdivision 45, for the period beginning October 1, 2021, through September 30, 2022, dividing this sum by 365 and multiplying the result by 915. A facility must

submit its distribution plan to the commissioner by October 1, 2023. The commissioner may review the distribution plan to ensure that the payment rate adjustment per resident day is used in accordance with this section. The commissioner may allow for a distribution plan amendment under exceptional circumstances to be determined at the sole discretion of the commissioner.

(f) By September 1, 2023, a facility must post the distribution plan summary and leave it posted for a period of at least six months in an area of the facility to which all employees have access. The posted distribution plan summary must be in the form and manner determined by the commissioner. The distribution plan summary must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee believes the employee is covered by paragraph (b) or (c) and has not received the compensation-related increases described in paragraph (d). The instruction to such employees must include the e-mail address and telephone number that may be used by the employee to contact the commissioner's representative. The posted distribution plan summary must demonstrate how the increase in paragraph (a) received by the nursing facility from July 1, 2023, through December 1, 2025, will be used in full to pay the compensation-related costs in paragraph (d) for employees described in paragraphs (b) and (c).

(g) If the nursing facility expends less on new compensation-related costs than the amount that was made available by the rate increase in this section for that purpose, the amount of this rate adjustment must be reduced to equal the amount utilized by the facility for purposes authorized under this section. If the facility fails to post the distribution plan summary in its facility as required, fails to submit its distribution plan to the commissioner by the due date, or uses the money for unauthorized purposes, these rate increases must be treated as an overpayment and subsequently recovered.

(h) The commissioner shall not treat payments received under this section as an applicable credit for purposes of setting total payment rates under Minnesota Statutes, chapter 256R.

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

Sec. 50. INCREASED MEDICAL ASSISTANCE INCOME LIMIT FOR OLDER ADULTS AND PERSONS WITH DISABILITIES.

Effective July 1, 2023, the commissioner of human services must increase the income limit under Minnesota Statutes, section 256B.056, subdivision 4, paragraph (a), to a level that is projected to result in a net cost to the state of \$5,000,000 for the 2026-2027 biennium.

Sec. 51. RETURN FORECASTED FUNDS TO NURSING FACILITIES.

(a) The commissioner shall use the estimated total annual payments for nursing facilities from the Department of Human Services February 2023 forecast for fiscal years 2023, 2024, 2025, 2026, and 2027 for the rate add-ons as directed in paragraphs (b) to (f). The add-ons described below are only implemented when they result in an increase.

(b) For the year beginning January 1, 2024, the commissioner shall determine the amount of unspent forecast funds by subtracting the actual total annual state, federal, and county payments for

fiscal year 2023 from the amount specified in paragraph (a) for 2023. The amount shall be converted into an equal per resident day increase and applied as an add-on to all nursing facilities' rates.

(c) For the year beginning January 1, 2025, the commissioner shall determine the amount of unspent forecast funds by subtracting the actual total annual state, federal, and county payments for fiscal year 2024 from the amount specified in paragraph (a) for 2024. The amount shall be converted into an equal per resident day increase and applied as an add-on to all nursing facilities' rates.

(d) For the year beginning January 1, 2026, the commissioner shall determine the amount of unspent forecast funds by subtracting the actual total annual state, federal, and county payments for fiscal year 2025 from the amount specified in paragraph (a) for 2025. The amount shall be converted into an equal per resident day increase and applied as an add-on to all nursing facilities' rates.

(e) For the year beginning January 1, 2027, the commissioner shall determine the amount of unspent forecast funds by subtracting the actual total annual state, federal, and county payments for fiscal year 2026 from the amount specified in paragraph (a) for 2026. The amount shall be converted into an equal per resident day increase and applied as an add-on to all nursing facilities' rates.

(f) For the year beginning January 1, 2028, the commissioner shall determine the amount of unspent forecast funds by subtracting the actual total annual state, federal, and county payments for fiscal year 2027 from the amount specified in paragraph (a) for 2027. The amount shall be converted into an equal per resident day increase and applied as an add-on to all nursing facilities' rates.

Sec. 52. SENIOR HOUSING-RELATED STRESS AND MENTAL HEALTH PREVENTION.

(a) In order to prevent inordinate mental health stress and financial distress for seniors and persons with disabilities, effective for any lease agreement entered into on or after July 1, 2023, any properties owned by a corporation founded in 1992; domiciled in Minnesota, with over 38,000 properties in 19 states as of January 1, 2023; and leasing properties in Coon Rapids, Blaine, Champlin, and elsewhere in Minnesota must not increase rents by over three percent per year for any resident.

(b) Any rent increases for residents of a property described in paragraph (a) exceeding three percent per year effective on or after January 1, 2022, must be credited by the corporation described in paragraph (a) to the affected lessees.

(c) Any fees charged to residents of a property described in paragraph (a) for repairs occurring on or after July 1, 2023, must not exceed actual costs.

(d) Beginning July 1, 2023, all residents of a property described in paragraph (a) must be permitted to park one resident-owned vehicle per unit in an indoor garage at no cost.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2022.

Sec. 53. REVISOR INSTRUCTION.

The revisor of statutes shall change the headnote in Minnesota Statutes, section 256B.0917, from "HOME AND COMMUNITY-BASED SERVICES FOR OLDER ADULTS" to "ELDERCARE DEVELOPMENT PARTNERSHIPS."

Sec. 54. **REPEALER.**

(a) Minnesota Statutes 2022, section 256B.0917, subdivisions 1a, 6, 7a, and 13, are repealed.

(b) Minnesota Statutes 2022, section 256S.19, subdivision 4, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2023. Paragraph (b) is effective January 1, 2024.

ARTICLE 3

HEALTH CARE

Section 1. Minnesota Statutes 2022, section 252.27, subdivision 2a, is amended to read:

Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child, not including a child determined eligible for medical assistance without consideration of parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a child accessing home and community-based waiver services, must contribute to the cost of services used by making monthly payments on a sliding scale based on income, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to chapter 259A or through title IV-E of the Social Security Act. The parental contribution is a partial or full payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal care services as defined in United States Code, title 26, section 213, needed by the child with a chronic illness or disability.

(b) For households with adjusted gross income equal to or greater than 275 percent of federal poverty guidelines, the parental contribution shall be computed by applying the following schedule of rates to the adjusted gross income of the natural or adoptive parents:

(1) if the adjusted gross income is equal to or greater than 275 percent of federal poverty guidelines and less than or equal to 545 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at 1.65 percent of adjusted gross income at 275 percent of federal poverty guidelines and increases to 4.5 percent of adjusted gross income for those with adjusted gross income up to 545 percent of federal poverty guidelines;

(2) if the adjusted gross income is greater than 545 percent of federal poverty guidelines and less than 675 percent of federal poverty guidelines, the parental contribution shall be 4.5 percent of adjusted gross income;

(3) if the adjusted gross income is equal to or greater than 675 percent of federal poverty guidelines and less than 975 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty guidelines and increases to 5.99 percent of adjusted gross income for those with adjusted gross income up to 975 percent of federal poverty guidelines; and

(4) if the adjusted gross income is equal to or greater than 975 percent of federal poverty guidelines, the parental contribution shall be 7.49 percent of adjusted gross income.

If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400 prior to calculating the parental contribution. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents, including the child receiving services. Adjustments in the contribution amount due to annual changes in the federal poverty guidelines shall be implemented on the first day of July following publication of the changes.

(d) For purposes of paragraph (b), "income" means the adjusted gross income of the natural or adoptive parents determined according to the previous year's federal tax form, except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds have been used to purchase a home shall not be counted as income.

(e) The contribution shall be explained in writing to the parents at the time eligibility for services is being determined. The contribution shall be made on a monthly basis effective with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted. All reimbursements must include a notice that the amount reimbursed may be taxable income if the parent paid for the parent's fees through an employer's health care flexible spending account under the Internal Revenue Code, section 125, and that the parent is responsible for paying the taxes owed on the amount reimbursed.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent. The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

(g) Parents of a minor child who do not live with each other shall each pay the contribution required under paragraph (a). An amount equal to the annual court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the adjusted gross income of the parent making the payment prior to calculating the parental contribution under paragraph (b).

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, "insurance" means health and accident insurance coverage, enrollment in a nonprofit

health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child receiving services shall not be required to pay more than the amount for the child with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child, not counting payments made to school districts for education-related services. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

(i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in the 12 months prior to July 1:

(1) the parent applied for insurance for the child;

(2) the insurer denied insurance;

(3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a complaint or appeal, in writing, to the commissioner of health or the commissioner of commerce, or litigated the complaint or appeal; and

(4) as a result of the dispute, the insurer reversed its decision and granted insurance.

For purposes of this section, "insurance" has the meaning given in paragraph (h).

A parent who has requested a reduction in the contribution amount under this paragraph shall submit proof in the form and manner prescribed by the commissioner or county agency, including, but not limited to, the insurer's denial of insurance, the written letter or complaint of the parents, court documents, and the written response of the insurer approving insurance. The determinations of the commissioner or county agency under this paragraph are not rules subject to chapter 14.

Sec. 2. Minnesota Statutes 2022, section 256B.04, is amended by adding a subdivision to read:

Subd. 26. **Notice of employed persons with disabilities program.** At the time of initial enrollment and at least annually thereafter, the commissioner shall provide information on the medical assistance program for employed persons with disabilities under section 256B.057, subdivision 9, to all medical assistance enrollees who indicate they have a disability.

Sec. 3. Minnesota Statutes 2022, section 256B.056, subdivision 3, is amended to read:

Subd. 3. **Asset limitations for certain individuals.** (a) To be eligible for medical assistance, a person must not individually own more than \$3,000 in assets, or if a member of a household with two family members, husband and wife, or parent and child, the household must not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The accumulation of the clothing and personal needs allowance according to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets excluded under the

Supplemental Security Income program for aged, blind, and disabled persons, with the following exceptions:

- (1) household goods and personal effects are not considered;
 - (2) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered;
 - (3) motor vehicles are excluded to the same extent excluded by the Supplemental Security Income program;
 - (4) assets designated as burial expenses are excluded to the same extent excluded by the Supplemental Security Income program. Burial expenses funded by annuity contracts or life insurance policies must irrevocably designate the individual's estate as contingent beneficiary to the extent proceeds are not used for payment of selected burial expenses;
 - (5) for a person who no longer qualifies as an employed person with a disability due to loss of earnings, assets allowed while eligible for medical assistance under section 256B.057, subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility as an employed person with a disability, ~~to the extent that the person's total assets remain within the allowed limits of section 256B.057, subdivision 9, paragraph (d);~~
 - (6) a designated employment incentives asset account is disregarded when determining eligibility for medical assistance for a person age 65 years or older under section 256B.055, subdivision 7. An employment incentives asset account must only be designated by a person who has been enrolled in medical assistance under section 256B.057, subdivision 9, for a 24-consecutive-month period. A designated employment incentives asset account contains qualified assets owned by the person ~~and the person's spouse~~ in the last month of enrollment in medical assistance under section 256B.057, subdivision 9. Qualified assets include retirement and pension accounts, medical expense accounts, and up to \$17,000 of the person's other nonexcluded liquid assets. An employment incentives asset account is no longer designated when a person loses medical assistance eligibility for a calendar month or more before turning age 65. A person who loses medical assistance eligibility before age 65 can establish a new designated employment incentives asset account by establishing a new 24-consecutive-month period of enrollment under section 256B.057, subdivision 9. ~~The income of a spouse of a person enrolled in medical assistance under section 256B.057, subdivision 9, during each of the 24 consecutive months before the person's 65th birthday must be disregarded when determining eligibility for medical assistance under section 256B.055, subdivision 7.~~ Persons eligible under this clause are not subject to the provisions in section 256B.059; and
 - (7) effective July 1, 2009, certain assets owned by American Indians are excluded as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.
- (b) No asset limit shall apply to persons eligible under ~~section~~ sections 256B.055, subdivision 15, and 256B.057, subdivision 9.

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

Sec. 4. Minnesota Statutes 2022, section 256B.057, subdivision 9, is amended to read:

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

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

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

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

(b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than \$65 of earned income. Earned income must have Medicare, Social Security, and applicable state and federal taxes withheld. The person must document earned income tax withholding. Any spousal income ~~or assets~~ shall be disregarded for purposes of eligibility ~~and premium determinations~~.

(c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who:

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

(2) loses employment for reasons not attributable to the enrollee, and is without receipt of earned income may retain eligibility for up to four consecutive months after the month of job loss. To receive a four-month extension, enrollees must verify the medical condition or provide notification of job loss. All other eligibility requirements must be met ~~and the enrollee must pay all calculated premium costs for continued eligibility.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(j) (g) The commissioner is authorized to determine that a premium amount was calculated or billed in error, make corrections to financial records and billing systems, and refund premiums collected in error.~~

(h) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines who are: (1) eligible under this subdivision and who are also enrolled in Medicare; and (2) not eligible for medical assistance reimbursement of Medicare premiums under subdivisions 3, 3a, 3b, or 4, the commissioner shall reimburse the enrollee for Medicare part A and Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a), and part A and part B coinsurance and deductibles. Reimbursement of the Medicare coinsurance and deductibles, when added to the amount paid by Medicare, must not exceed the total rate the provider would have received for the same service or services if the person was receiving benefits as a qualified Medicare beneficiary.

(i) The commissioner must permit any individual who was disenrolled for nonpayment of premiums previously required under this subdivision to reapply for medical assistance under this subdivision and be reenrolled if eligible without paying past due premiums.

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

Sec. 5. Minnesota Statutes 2022, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(c) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs

criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(e) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(f) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

(g) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(h) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(i) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(j) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(k) The commissioner shall:

- (1) verify that the mode and use of nonemergency medical transportation is appropriate;
- (2) verify that the client is going to an approved medical appointment; and
- (3) investigate all complaints and appeals.

(l) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(m) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (h), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

- (1) \$0.22 per mile for client reimbursement;
- (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;
- (3) equivalent to the standard fare for unassisted transport when provided by public transit, and ~~\$14~~ \$12.93 for the base rate and ~~\$1.30~~ \$1.53 per mile when provided by a nonemergency medical transportation provider;
- (4) ~~\$13~~ \$15.28 for the base rate and ~~\$1.30~~ \$1.53 per mile for assisted transport;
- (5) ~~\$18~~ \$21.15 for the base rate and ~~\$1.55~~ \$1.82 per mile for lift-equipped/ramp transport;
- (6) \$75 for the base rate and \$2.40 per mile for protected transport; and
- (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for an additional attendant if deemed medically necessary.

(n) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

- (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (m), clauses (1) to (7); and
- (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (m), clauses (1) to (7).

(o) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (m) and (n), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(q) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(r) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (m) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

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

Sec. 6. Minnesota Statutes 2022, section 256B.0625, subdivision 17a, is amended to read:

Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance services. Providers shall bill ambulance services according to Medicare criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective for services rendered on or after July 1, 2001, medical assistance payments for ambulance services shall be paid at the Medicare reimbursement rate or at the medical assistance payment rate in effect on July 1, 2000, whichever is greater.

(b) Effective for services provided on or after July 1, 2016, medical assistance payment rates for ambulance services identified in this paragraph are increased by five percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2017, shall be increased to reflect this rate increase. The increased rate described in this paragraph applies to ambulance service providers whose base of operations as defined in section 144E.10 is located:

(1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

(2) within a municipality with a population of less than 1,000.

(c) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraphs (a) and (b) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

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

Sec. 7. Minnesota Statutes 2022, section 256B.0625, subdivision 22, is amended to read:

Subd. 22. **Hospice care.** Medical assistance covers hospice care services under Public Law 99-272, section 9505, to the extent authorized by rule, except that a recipient age 21 or under who elects to receive hospice services does not waive coverage for services that are related to the treatment of the condition for which a diagnosis of terminal illness has been made. Hospice respite and end-of-life care under subdivision 22a are not hospice care services under this subdivision.

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

Sec. 8. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 22a. **Residential hospice facility; hospice respite and end-of-life care for children.**

(a) Medical assistance covers hospice respite and end-of-life care if the care is for recipients age 21 or under who elect to receive hospice care delivered in a facility that is licensed under sections 144A.75 to 144A.755 and that is a residential hospice facility under section 144A.75, subdivision 13, paragraph (a). Hospice care services under subdivision 22 are not hospice respite or end-of-life care under this subdivision.

(b) The payment rates for coverage under this subdivision must be 100 percent of the Medicare rate for continuous home care hospice services as published in the Centers for Medicare and Medicaid Services annual final rule updating payments and policies for hospice care. Payment for hospice respite and end-of-life care under this subdivision must be made from state money, though the commissioner must seek to obtain federal financial participation for the payments. Payment for hospice respite and end-of-life care must be paid to the residential hospice facility and are not included in any limit or cap amount applicable to hospice services payments to the elected hospice services provider.

(c) Certification of the residential hospice facility by the federal Medicare program must not be a requirement of medical assistance payment for hospice respite and end-of-life care under this subdivision.

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

Sec. 9. Minnesota Statutes 2022, section 256B.073, subdivision 3, is amended to read:

Subd. 3. **Requirements.** (a) In developing implementation requirements for electronic visit verification, the commissioner shall ensure that the requirements:

- (1) are minimally administratively and financially burdensome to a provider;
- (2) are minimally burdensome to the service recipient and the least disruptive to the service recipient in receiving and maintaining allowed services;
- (3) consider existing best practices and use of electronic visit verification;

(4) are conducted according to all state and federal laws;

(5) are effective methods for preventing fraud when balanced against the requirements of clauses (1) and (2); and

(6) are consistent with the Department of Human Services' policies related to covered services, flexibility of service use, and quality assurance.

(b) The commissioner shall make training available to providers on the electronic visit verification system requirements.

(c) The commissioner shall establish baseline measurements related to preventing fraud and establish measures to determine the effect of electronic visit verification requirements on program integrity.

(d) The commissioner shall make a state-selected electronic visit verification system available to providers of services.

(e) The commissioner shall make available and publish on the agency website the name and contact information for the vendor of the state-selected electronic visit verification system and the other vendors that offer alternative electronic visit verification systems. The information provided must state that the state-selected electronic visit verification system is offered at no cost to the provider of services and that the provider may choose an alternative system that may be at a cost to the provider.

Sec. 10. Minnesota Statutes 2022, section 256B.073, is amended by adding a subdivision to read:

Subd. 5. **Vendor requirements.** (a) The vendor of the electronic visit verification system selected by the commissioner and the vendor's affiliate must comply with the requirements of this subdivision.

(b) The vendor of the state-selected electronic visit verification system and the vendor's affiliate must:

(1) notify the provider of services that the provider may choose the state-selected electronic visit verification system at no cost to the provider;

(2) offer the state-selected electronic visit verification system to the provider of services prior to offering any fee-based electronic visit verification system;

(3) notify the provider of services that the provider may choose any fee-based electronic visit verification system prior to offering the vendor's or its affiliate's fee-based electronic visit verification system;

(4) when offering the state-selected electronic visit verification system, clearly differentiate between the state-selected electronic visit verification system and the vendor's or its affiliate's alternative fee-based system; and

(5) allow the provider of services, at no cost to the provider, to terminate the agreement after 12 months of the provider executing the agreement.

(c) The vendor of the state-selected electronic visit verification system and the vendor's affiliate must not use state data that is not available to other vendors of electronic visit verification systems to develop, promote, or sell the vendor's or its affiliate's alternative electronic visit verification system.

(d) Upon request from the provider, the vendor of the state-selected electronic visit verification system must provide proof of compliance with the requirements of this subdivision.

(e) An agreement between the vendor of the state-selected electronic visit verification system or its affiliate and a provider of services for an electronic visit verification system that is not the state-selected system entered into on or after July 1, 2023, is subject to immediate termination by the provider if the vendor violates any of the requirements of this subdivision.

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

Sec. 11. Minnesota Statutes 2022, section 256B.14, subdivision 2, is amended to read:

Subd. 2. **Actions to obtain payment.** The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. All medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules ~~shall be consistent with the requirements of section 252.27 for~~ do not apply to parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or to parents of children accessing home and community-based waiver services. The county agency shall give the responsible relative notice of the amount of the payment or repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 12. Minnesota Statutes 2022, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

(a) Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance

medical care programs, prior to third-party liability and spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in this paragraph shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

(b) Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction effective July 1, 2010.

(c) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

(d) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

(e) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(f) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under paragraphs (i) and (j).

(g) Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(h) This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

(i) Effective for services provided on or after July 1, 2015, the following categories of medical supplies and durable medical equipment shall be individually priced items: ~~enteral nutrition and supplies~~, customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service. This paragraph does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, and items provided to dually eligible recipients when Medicare is the primary payer for the item. The commissioner shall not apply any medical assistance rate reductions to durable medical equipment as a result of Medicare competitive bidding.

(j) Effective for services provided on or after July 1, 2015, medical assistance payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased as follows:

(1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare competitive bid that took effect in January of 2009 shall be increased by 9.5 percent; and

(2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the medical assistance fee schedule, whether or not subject to the Medicare competitive bid that took effect in January of 2009, shall be increased by 2.94 percent, with this increase being applied after calculation of any increased payment rate under clause (1).

This paragraph does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, items provided to dually eligible recipients when Medicare is the primary payer for the item, and individually priced items identified in paragraph (i). Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect the rate increases in this paragraph.

(k) Effective for nonpressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or the Medicare fee schedule rate. Effective for pressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule rate. For payments made in accordance with this paragraph, if, and to the extent that, the commissioner identifies that the state has received federal financial participation for ventilators in excess of the amount allowed effective January 1, 2018, under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state funds and maintain the full payment rate under this paragraph.

(l) Payment rates for durable medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed in this paragraph.

(m) For dates of service on or after July 1, 2023, through June 30, 2024, enteral nutrition and supplies must be paid according to this paragraph. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the department, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination. Data are sufficient if: (1) the department has at least 100

paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the department has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate shall be the payment rate in effect on June 30, 2023.

(n) For dates of service on or after July 1, 2024, enteral nutrition and supplies must be paid according to this paragraph and updated annually each January 1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the department for the previous calendar year, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous year's rate per code and product combination. Data are sufficient if: (1) the department has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the department has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data is not available to calculate the 50th percentile for enteral products or supplies, the payment shall be the manufacturer's suggested retail price of that product or supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment shall be the actual acquisition cost of that product or supply plus 20 percent.

ARTICLE 4

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2022, section 4.046, subdivision 6, is amended to read:

Subd. 6. ~~Addiction and recovery~~ **Office of Addiction and Recovery; director.** An Office of Addiction and Recovery is created in the Department of Management and Budget. The governor must appoint an addiction and recovery director, who shall serve as chair of the subcabinet and administer the Office of Addiction and Recovery. The director shall serve in the unclassified service and shall report to the governor. The director must:

(1) make efforts to break down silos and work across agencies to better target the state's role in addressing addiction, treatment, and recovery;

(2) assist in leading the subcabinet and the advisory council toward progress on measurable goals that track the state's efforts in combatting addiction; and

(3) establish and manage external partnerships and build relationships with communities, community leaders, and those who have direct experience with addiction to ensure that all voices of recovery are represented in the work of the subcabinet and advisory council.

Sec. 2. Minnesota Statutes 2022, section 4.046, subdivision 7, is amended to read:

Subd. 7. **Staff and administrative support.** The commissioner of ~~human services management and budget~~, in coordination with other state agencies and boards as applicable, must provide staffing and administrative support to the addiction and recovery director, the subcabinet, and the advisory council, and the Office of Addiction and Recovery established in this section.

Sec. 3. Minnesota Statutes 2022, section 4.046, is amended by adding a subdivision to read:

Subd. 8. Division of Youth Substance Use and Addiction Recovery. (a) A Division of Youth Substance Use and Addiction Recovery is created in the Office of Addiction and Recovery to focus on preventing adolescent substance use and addiction. The addiction and recovery director shall employ a director to lead the Division of Youth Substance Use and Addiction Recovery and staff necessary to fulfill its purpose.

(b) The director of the division shall:

(1) make efforts to bridge mental health and substance abuse treatment silos and work across agencies to focus the state's role and resources in preventing youth substance use and addiction;

(2) develop and share resources on evidence-based strategies and programs for addressing youth substance use and prevention;

(3) establish and manage external partnerships and build relationships with communities, community leaders, and persons and organizations with direct experience with youth substance use and addiction; and

(4) work to achieve progress on established measurable goals that track the state's efforts in preventing substance use and addiction among the state's youth population.

Sec. 4. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 4a. American Society of Addiction Medicine criteria or ASAM criteria. "American Society of Addiction Medicine criteria" or "ASAM criteria" has the meaning provided in section 254B.01, subdivision 2a.

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

Sec. 5. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 20c. Protective factors. "Protective factors" means the actions or efforts a person can take to reduce the negative impact of certain issues, such as substance use disorders, mental health disorders, and risk of suicide. Protective factors include connecting to positive supports in the community, a good diet, exercise, attending counseling or 12-step groups, and taking medications.

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

Sec. 6. Minnesota Statutes 2022, section 245G.02, subdivision 2, is amended to read:

Subd. 2. Exemption from license requirement. This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral, diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance

use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections 245G.05; 245G.06, subdivisions 1, 1a, 2, and 4; 245G.07, subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7); and 245G.17.

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

Sec. 7. Minnesota Statutes 2022, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** ~~(a)~~ A comprehensive assessment of the client's substance use disorder must be administered face-to-face by an alcohol and drug counselor within ~~three~~ five calendar days from the day of service initiation for a residential program or ~~within three calendar days on which a treatment session has been provided of the day of service initiation for a client by the end of the fifth day on which a treatment service is provided~~ in a nonresidential program. The number of days to complete the comprehensive assessment excludes the day of service initiation. If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client received a comprehensive assessment that authorized the treatment service, an alcohol and drug counselor may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. ~~The comprehensive assessment must include sufficient information to complete the assessment summary according to subdivision 2 and the individual treatment plan according to section 245G.06. The comprehensive assessment must include information about the client's needs that relate to substance use and personal strengths that support recovery, including:~~

~~(1) age, sex, cultural background, sexual orientation, living situation, economic status, and level of education;~~

~~(2) a description of the circumstances on the day of service initiation;~~

~~(3) a list of previous attempts at treatment for substance misuse or substance use disorder, compulsive gambling, or mental illness;~~

~~(4) a list of substance use history including amounts and types of substances used, frequency and duration of use, periods of abstinence, and circumstances of relapse, if any. For each substance used within the previous 30 days, the information must include the date of the most recent use and address the absence or presence of previous withdrawal symptoms;~~

~~(5) specific problem behaviors exhibited by the client when under the influence of substances;~~

~~(6) the client's desire for family involvement in the treatment program, family history of substance use and misuse, history or presence of physical or sexual abuse, and level of family support;~~

~~(7) physical and medical concerns or diagnoses, current medical treatment needed or being received related to the diagnoses, and whether the concerns need to be referred to an appropriate health care professional;~~

~~(8) mental health history, including symptoms and the effect on the client's ability to function; current mental health treatment; and psychotropic medication needed to maintain stability. The assessment must utilize screening tools approved by the commissioner pursuant to section 245.4863 to identify whether the client screens positive for co-occurring disorders;~~

~~(9) arrests and legal interventions related to substance use;~~

~~(10) a description of how the client's use affected the client's ability to function appropriately in work and educational settings;~~

~~(11) ability to understand written treatment materials, including rules and the client's rights;~~

~~(12) a description of any risk-taking behavior, including behavior that puts the client at risk of exposure to blood-borne or sexually transmitted diseases;~~

~~(13) social network in relation to expected support for recovery;~~

~~(14) leisure time activities that are associated with substance use;~~

~~(15) whether the client is pregnant and, if so, the health of the unborn child and the client's current involvement in prenatal care;~~

~~(16) whether the client recognizes needs related to substance use and is willing to follow treatment recommendations; and~~

~~(17) information from a collateral contact may be included, but is not required.~~

~~(b) If the client is identified as having opioid use disorder or seeking treatment for opioid use disorder, the program must provide educational information to the client concerning:~~

~~(1) risks for opioid use disorder and dependence;~~

~~(2) treatment options, including the use of a medication for opioid use disorder;~~

~~(3) the risk of and recognizing opioid overdose; and~~

~~(4) the use, availability, and administration of naloxone to respond to opioid overdose.~~

~~(c) The commissioner shall develop educational materials that are supported by research and updated periodically. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.~~

~~(d) If the comprehensive assessment is completed to authorize treatment service for the client, at the earliest opportunity during the assessment interview the assessor shall determine if:~~

~~(1) the client is in severe withdrawal and likely to be a danger to self or others;~~

~~(2) the client has severe medical problems that require immediate attention; or~~

~~(3) the client has severe emotional or behavioral symptoms that place the client or others at risk of harm.~~

If one or more of the conditions in clauses (1) to (3) are present, the assessor must end the assessment interview and follow the procedures in the program's medical services plan under section 245G.08, subdivision 2, to help the client obtain the appropriate services. The assessment interview may resume when the condition is resolved. An alcohol and drug counselor must sign and date the comprehensive assessment review and update.

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

Sec. 8. Minnesota Statutes 2022, section 245G.05, is amended by adding a subdivision to read:

Subd. 3. **Comprehensive assessment requirements.** (a) A comprehensive assessment must meet the requirements under section 245I.10, subdivision 6, paragraphs (b) and (c). A comprehensive assessment must also include:

(1) a diagnosis of a substance use disorder or a finding that the client does not meet the criteria for a substance use disorder;

(2) a determination of whether the individual screens positive for co-occurring mental health disorders using a screening tool approved by the commissioner pursuant to section 245.4863, except when the comprehensive assessment is being completed as part of a diagnostic assessment; and

(3) a recommendation for the ASAM level of care identified in section 254B.19, subdivision 1.

(b) If the individual is assessed for opioid use disorder, the program must provide educational material to the client within 24 hours of service initiation on:

(1) risks for opioid use disorder and dependence;

(2) treatment options, including the use of a medication for opioid use disorder;

(3) the risk of recognizing opioid overdose; and

(4) the use, availability, and administration of naloxone to respond to opioid overdose.

If the client is identified as having opioid use disorder at a later point, the education must be provided at that point. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.

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

Sec. 9. Minnesota Statutes 2022, section 245G.06, subdivision 1, is amended to read:

Subdivision 1. **General.** Each client must have a person-centered individual treatment plan developed by an alcohol and drug counselor within ten days from the day of service initiation for a residential program ~~and within five calendar days~~ by the end of the tenth day on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program, not to exceed 30 days. Opioid treatment programs must complete the individual treatment plan within 21 days from the day of service initiation. The number of days to complete the individual treatment plan excludes the day of service initiation. The individual treatment plan must be signed by the client and the alcohol and drug counselor and document the client's involvement in the

development of the plan. The individual treatment plan is developed upon the qualified staff member's dated signature. Treatment planning must include ongoing assessment of client needs. An individual treatment plan must be updated based on new information gathered about the client's condition, the client's level of participation, and on whether methods identified have the intended effect. A change to the plan must be signed by the client and the alcohol and drug counselor. If the client chooses to have family or others involved in treatment services, the client's individual treatment plan must include how the family or others will be involved in the client's treatment. If a client is receiving treatment services or an assessment via telehealth and the alcohol and drug counselor documents the reason the client's signature cannot be obtained, the alcohol and drug counselor may document the client's verbal approval or electronic written approval of the treatment plan or change to the treatment plan in lieu of the client's signature.

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

Sec. 10. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 1a. Individual treatment plan contents and process. (a) After completing a client's comprehensive assessment, the license holder must complete an individual treatment plan. The license holder must:

(1) base the client's individual treatment plan on the client's comprehensive assessment;

(2) use a person-centered, culturally appropriate planning process that allows the client's family and other natural supports to observe and participate in the client's individual treatment services, assessments, and treatment planning;

(3) identify the client's treatment goals in relation to any or all of the applicable ASAM six dimensions identified in section 254B.04, subdivision 4, to ensure measurable treatment objectives, a treatment strategy, and a schedule for accomplishing the client's treatment goals and objectives;

(4) document in the treatment plan the ASAM level of care identified in section 254B.19, subdivision 1, that the client is receiving services under;

(5) identify the participants involved in the client's treatment planning. The client must be a participant in the client's treatment planning. If applicable, the license holder must document the reasons that the license holder did not involve the client's family or other natural supports in the client's treatment planning;

(6) identify resources to refer the client to when the client's needs are to be addressed concurrently by another provider; and

(7) identify maintenance strategy goals and methods designed to address relapse prevention and to strengthen the client's protective factors.

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

Sec. 11. Minnesota Statutes 2022, section 245G.06, subdivision 3, is amended to read:

Subd. 3. Treatment plan review. A treatment plan review must be ~~entered in a client's file weekly or after each treatment service, whichever is less frequent,~~ completed by the alcohol and

drug counselor responsible for the client's treatment plan. The review must indicate the span of time covered by the review ~~and each of the six dimensions listed in section 245G.05, subdivision 2, paragraph (e).~~ The review must:

(1) ~~address each goal in the~~ document client goals addressed since the last treatment plan review and whether the identified methods to address the goals are continue to be effective;

(2) ~~include~~ document monitoring of any physical and mental health problems and include toxicology results for alcohol and substance use, when available;

(3) document the participation of others involved in the individual's treatment planning, including when services are offered to the client's family or natural supports;

(4) if changes to the treatment plan are determined to be necessary, document staff recommendations for changes in the methods identified in the treatment plan and whether the client agrees with the change; and

(5) include a review and evaluation of the individual abuse prevention plan according to section 245A.65; and

(6) document any referrals made since the previous treatment plan review.

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

Sec. 12. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 3a. **Frequency of treatment plan reviews.** (a) A license holder must ensure that the alcohol and drug counselor responsible for a client's treatment plan completes and documents a treatment plan review that meets the requirements of subdivision 3 in each client's file according to the frequencies required in this subdivision. All ASAM levels referred to in this chapter are those described in section 254B.19, subdivision 1.

(b) For a client receiving residential ASAM level 3.3 or 3.5 high-intensity services or residential hospital-based services, a treatment plan review must be completed once every 14 days.

(c) For a client receiving residential ASAM level 3.1 low-intensity services or any other residential level not listed in paragraph (b), a treatment plan review must be completed once every 30 days.

(d) For a client receiving nonresidential ASAM level 2.5 partial hospitalization services, a treatment plan review must be completed once every 14 days.

(e) For a client receiving nonresidential ASAM level 1.0 outpatient or 2.1 intensive outpatient services or any other nonresidential level not included in paragraph (d), a treatment plan review must be completed once every 30 days.

(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22, a treatment plan review must be completed weekly for the ten weeks following completion of the treatment plan and monthly thereafter. Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) Notwithstanding paragraphs (e) and (f), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days.

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

Sec. 13. Minnesota Statutes 2022, section 245G.06, subdivision 4, is amended to read:

Subd. 4. **Service discharge summary.** (a) An alcohol and drug counselor must write a service discharge summary for each client. The service discharge summary must be completed within five days of the client's service termination. A copy of the client's service discharge summary must be provided to the client upon the client's request.

(b) The service discharge summary must be recorded in the six dimensions listed in section ~~245G.05, subdivision 2, paragraph (e)~~ 254B.04, subdivision 4, and include the following information:

(1) the client's issues, strengths, and needs while participating in treatment, including services provided;

(2) the client's progress toward achieving each goal identified in the individual treatment plan;

(3) a risk description according to section ~~245G.05~~ 254B.04, subdivision 4;

(4) the reasons for and circumstances of service termination. If a program discharges a client at staff request, the reason for discharge and the procedure followed for the decision to discharge must be documented and comply with the requirements in section 245G.14, subdivision 3, clause (3);

(5) the client's living arrangements at service termination;

(6) continuing care recommendations, including transitions between more or less intense services, or more frequent to less frequent services, and referrals made with specific attention to continuity of care for mental health, as needed; and

(7) service termination diagnosis.

Sec. 14. Minnesota Statutes 2022, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** Client records must contain the following:

(1) documentation that the client was given information on client rights and responsibilities, grievance procedures, tuberculosis, and HIV, and that the client was provided an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4). If the client has an opioid use disorder, the record must contain documentation that the client was provided educational information according to section 245G.05, subdivision ~~1~~ 3, paragraph (b);

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

- ~~(4) an assessment summary completed according to section 245G.05, subdivision 2;~~
- ~~(5) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;~~
- ~~(6) (5) an individual treatment plan according to section 245G.06, subdivisions 1 and 2 1a;~~
- ~~(7) (6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, and 3, and 3a; and~~
- ~~(8) (7) a summary at the time of service termination according to section 245G.06, subdivision 4.~~

Sec. 15. Minnesota Statutes 2022, section 245G.22, subdivision 15, is amended to read:

Subd. 15. Nonmedication treatment services; documentation. (a) ~~The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary meet the requirements in section 245G.07, subdivision 1, paragraph (a), and must document each time the client was offered an individual or group counseling service. If the individual or group counseling service was offered but not provided to the client, the license holder must document the reason the service was not provided. If the service was provided, the license holder must ensure the service is documented according to the requirements in section 245G.06, subdivision 2a.~~

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

~~(c) Notwithstanding the requirements of individual treatment plans set forth in section 245G.06:~~

~~(1) treatment plan contents for a maintenance client are not required to include goals the client must reach to complete treatment and have services terminated;~~

~~(2) treatment plans for a client in a taper or detox status must include goals the client must reach to complete treatment and have services terminated; and~~

~~(3) for the ten weeks following the day of service initiation for all new admissions, readmissions, and transfers, a weekly treatment plan review must be documented once the treatment plan is completed. Subsequently, the counselor must document treatment plan reviews in the six dimensions at least once monthly or, when clinical need warrants, more frequently.~~

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

Sec. 16. Minnesota Statutes 2022, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context. An alcohol and drug counselor may gather and document the information in paragraphs (b) and (c) when completing a comprehensive assessment according to section 245G.05.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

(1) the client's age;

(2) the client's current living situation, including the client's housing status and household members;

(3) the status of the client's basic needs;

(4) the client's education level and employment status;

(5) the client's current medications;

(6) any immediate risks to the client's health and safety, specifically withdrawal, medical conditions, and behavioral and emotional symptoms;

(7) the client's perceptions of the client's condition;

(8) the client's description of the client's symptoms, including the reason for the client's referral;

(9) the client's history of mental health and substance use disorder treatment; ~~and~~

(10) cultural influences on the client; and

(11) substance use history, if applicable, including:

(i) amounts and types of substances, frequency and duration, route of administration, periods of abstinence, and circumstances of relapse; and

(ii) the impact to functioning when under the influence of substances, including legal interventions.

(c) If the assessor cannot obtain the information that this paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(3) When completing a standard diagnostic assessment of a client who is five years of age or younger, an assessor must administer the Early Childhood Service Intensity Instrument (ECSII) to the client and include the results in the client's assessment.

(4) When completing a standard diagnostic assessment of a client who is six to 17 years of age, an assessor must administer the Child and Adolescent Service Intensity Instrument (CASII) to the client and include the results in the client's assessment.

(5) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client; and

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

Sec. 17. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2a. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM" means the clinical guidelines for purposes of the assessment, treatment, placement, and transfer or discharge of individuals with substance use disorders. The ASAM criteria are contained in the current edition of the *ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions*.

Sec. 18. Minnesota Statutes 2022, section 254B.01, subdivision 8, is amended to read:

Subd. 8. **Recovery community organization.** "Recovery community organization" means an independent organization led and governed by representatives of local communities of recovery. A recovery community organization mobilizes resources within and outside of the recovery community to increase the prevalence and quality of long-term recovery from ~~alcohol and other drug addiction~~ substance use disorder. Recovery community organizations provide peer-based recovery support activities such as training of recovery peers. Recovery community organizations provide mentorship and ongoing support to individuals dealing with a substance use disorder and connect them with the resources that can support each person's recovery. A recovery community organization also promotes a recovery-focused orientation in community education and outreach programming, and organize recovery-focused policy advocacy activities to foster healthy communities and reduce the stigma of substance use disorder.

Sec. 19. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 9. **Skilled treatment services.** "Skilled treatment services" has the meaning given for the "treatment services" described in section 245G.07, subdivisions 1, paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6). Skilled treatment services must be provided by qualified professionals as identified in section 245G.07, subdivision 3.

Sec. 20. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 10. **Comprehensive assessment.** "Comprehensive assessment" means a person-centered, trauma-informed assessment that:

(1) is completed for a substance use disorder diagnosis, treatment planning, and determination of client eligibility for substance use disorder treatment services;

(2) meets the requirements in section 245G.05; and

(3) is completed by an alcohol and drug counselor qualified according to section 245G.11, subdivision 5.

Sec. 21. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 4. **Assessment criteria and risk descriptions.** (a) A level of care determination must use the following criteria to assess risk:

(b) Dimension 1: Acute intoxication and withdrawal potential. A vendor must use the following scoring and criteria in Dimension 1 to determine a client's acute intoxication and withdrawal potential, the client's ability to cope with withdrawal symptoms, and the client's current state of intoxication.

"0" The client displays full functioning with good ability to tolerate and cope with withdrawal discomfort, and the client shows no signs or symptoms of intoxication or withdrawal or diminishing signs or symptoms.

"1" The client can tolerate and cope with withdrawal discomfort. The client displays mild-to-moderate intoxication or signs and symptoms interfering with daily functioning but does not immediately endanger self or others. The client poses a minimal risk of severe withdrawal.

"2" The client has some difficulty tolerating and coping with withdrawal discomfort. The client's intoxication may be severe, but the client responds to support and treatment such that the client does not immediately endanger self or others. The client displays moderate signs and symptoms of withdrawal with moderate risk of severe withdrawal.

"3" The client tolerates and copes with withdrawal discomfort poorly. The client has severe intoxication, such that the client endangers self or others, or intoxication has not abated with less intensive services. The client displays severe signs and symptoms of withdrawal, has a risk of severe-but-manageable withdrawal, or has worsening withdrawal despite detoxification at less intensive level.

"4" The client is incapacitated with severe signs and symptoms. The client displays severe withdrawal and is a danger to self or others.

(c) Dimension 2: biomedical conditions and complications. The vendor must use the following scoring and criteria in Dimension 2 to determine a client's biomedical conditions and complications, the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. If the client is pregnant, the provider must determine the impact of continued substance use on the unborn child.

"0" The client displays full functioning with good ability to cope with physical discomfort.

"1" The client tolerates and copes with physical discomfort and is able to get the services that the client needs.

"2" The client has difficulty tolerating and coping with physical problems or has other biomedical problems that interfere with recovery and treatment. The client neglects or does not seek care for serious biomedical problems.

"3" The client tolerates and copes poorly with physical problems or has poor general health. The client neglects the client's medical problems without active assistance.

"4" The client is unable to participate in substance use disorder treatment and has severe medical problems, a condition that requires immediate intervention, or is incapacitated.

(d) Dimension 3: Emotional, behavioral, and cognitive conditions and complications. The vendor must use the following scoring and criteria in Dimension 3 to determine a client's emotional,

behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas; and the likelihood of harm to self or others.

"0" The client has good impulse control and coping skills and presents no risk of harm to self or others. The client functions in all life areas and displays no emotional, behavioral, or cognitive problems or the problems are stable.

"1" The client has impulse control and coping skills. The client presents a mild to moderate risk of harm to self or others or displays symptoms of emotional, behavioral, or cognitive problems. The client has a mental health diagnosis and is stable. The client functions adequately in significant life areas.

"2" The client has difficulty with impulse control and lacks coping skills. The client has thoughts of suicide or harm to others without means, however the thoughts may interfere with participation in some activities. The client has difficulty functioning in significant life areas. The client has moderate symptoms of emotional, behavioral, or cognitive problems. The client is able to participate in most treatment activities.

"3" The client has a severe lack of impulse control and coping skills. The client also has frequent thoughts of suicide or harm to others including a plan and the means to carry out the plan. In addition, the client is severely impaired in significant life areas and has severe symptoms of emotional, behavioral, or cognitive problems that interfere with the client's participation in treatment activities.

"4" The client has severe emotional or behavioral symptoms that place the client or others at acute risk of harm. The client also has intrusive thoughts of harming self or others. The client is unable to participate in treatment activities.

(e) Dimension 4: Readiness for change. The vendor must use the following scoring and criteria in Dimension 4 to determine a client's readiness for change and the support necessary to keep the client involved in treatment services.

"0" The client is cooperative, motivated, ready to change, admits problems, committed to change, and engaged in treatment as a responsible participant.

"1" The client is motivated with active reinforcement to explore treatment and strategies for change but ambivalent about illness or need for change.

"2" The client displays verbal compliance, but lacks consistent behaviors, has low motivation for change, and is passively involved in treatment.

"3" The client displays inconsistent compliance, minimal awareness of either the client's addiction or mental disorder, and is minimally cooperative.

"4" The client is:

(i) noncompliant with treatment and has no awareness of addiction or mental disorder and does not want or is unwilling to explore change or is in total denial of the client's illness and its implications; or

(ii) the client is dangerously oppositional to the extent that the client is a threat of imminent harm to self and others.

(f) Dimension 5: Relapse, continued use, and continued problem potential. The vendor must use the following scoring and criteria in Dimension 5 to determine a client's relapse, continued use, and continued problem potential and the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems.

"0" The client recognizes risk well and is able to manage potential problems.

"1" The client recognizes relapse issues and prevention strategies but displays some vulnerability for further substance use or mental health problems.

"2" The client has:

(i) minimal recognition and understanding of relapse and recidivism issues and displays moderate vulnerability for further substance use or mental health problems; or

(ii) some coping skills inconsistently applied.

"3" The client has poor recognition and understanding of relapse and recidivism issues and displays moderately high vulnerability for further substance use or mental health problems. The client has few coping skills and rarely applies coping skills.

"4" The client has no coping skills to arrest mental health or addiction illnesses or prevent relapse. The client has no recognition or understanding of relapse and recidivism issues and displays high vulnerability for further substance use disorder or mental health problems.

(g) Dimension 6: Recovery environment. The vendor must use the following scoring and criteria in Dimension 6 to determine a client's recovery environment, whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

"0" The client is engaged in structured meaningful activity and has a supportive significant other, family, and living environment.

"1" The client has passive social network support, or family and significant other are not interested in the client's recovery. The client is engaged in structured meaningful activity.

"2" The client is engaged in structured, meaningful activity, but peers, family, significant other, and living environment are unsupportive, or there is criminal justice involvement by the client or among the client's peers, significant other, or in the client's living environment.

"3" The client is not engaged in structured meaningful activity, and the client's peers, family, significant other, and living environment are unsupportive, or there is significant criminal justice system involvement.

"4" The client has:

(i) a chronically antagonistic significant other, living environment, family, peer group, or a long-term criminal justice involvement that is harmful to recovery or treatment progress; or

(ii) an actively antagonistic significant other, family, work, or living environment that poses an immediate threat to the client's safety and well-being.

Sec. 22. Minnesota Statutes 2022, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. ~~Licensure required~~ **Eligible vendors.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8.

(d) A recovery community organization ~~that meets certification requirements identified by the commissioner~~ certified by the Board of Recovery Services under sections 254B.20 to 254B.24 is an eligible vendor of peer support services.

(e) Recovery community organizations directly approved by the commissioner of human services before June 30, 2023, will retain their designation as a recovery community organization.

~~(e)(f)~~ Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

Sec. 23. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license; those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided by the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);

(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and

(vii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7);

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) ~~care~~ treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) ~~on July 1, 2019, or upon federal approval, whichever is later,~~ withdrawal management services provided according to chapter 245F;

(6) substance use disorder treatment services with medications for opioid use disorder ~~that are provided in an opioid treatment program~~ licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

~~(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;~~

~~(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;~~

~~(9)~~ (7) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

~~(10)~~ (8) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

~~(11) high-intensity residential treatment~~ (9) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide ~~30 hours of clinical services each week~~ ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and is provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

~~(12)~~ (10) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503;
or

(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04,

subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

~~(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner. Payment for substance use disorder services under this section must start from the day of service initiation when the comprehensive assessment is completed within the required timelines.~~

EFFECTIVE DATE. The amendments to paragraph (b), clause (1), items (i) to (iv), are effective January 1, 2025, or upon federal approval, whichever is later. The amendments to paragraph (b), clause (1), items (v) to (vii), are effective January 1, 2024, or upon federal approval, whichever is later. The amendments to paragraph (b), clauses (2) to (10), are effective January 1, 2024.

Sec. 24. [254B.19] AMERICAN SOCIETY OF ADDICTION MEDICINE STANDARDS OF CARE.

Subdivision 1. Level of care requirements. For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements.

(1) For ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of skilled treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week.

(3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of skilled treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of skilled treatment services. Services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Level 2.5 is for clients who need daily monitoring in a structured setting as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide at least 5 hours of skilled treatment services per week according to each client's specific treatment schedule as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour-a-day staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour-a-day staffing coverage and provide, at minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

Subd. 2. **Patient referral arrangement agreement.** The license holder must maintain documentation of a formal patient referral arrangement agreement for each of the following levels of care not provided by the license holder:

(1) level 1.0 outpatient;

(2) level 2.1 intensive outpatient;

(3) level 2.5 partial hospitalization;

(4) level 3.1 clinically managed low-intensity residential;

(5) level 3.3 clinically managed population-specific high-intensity residential;

(6) level 3.5 clinically managed high-intensity residential;

(7) level withdrawal management 3.2 clinically managed residential withdrawal management;
and

(8) level withdrawal management 3.7 medically monitored inpatient withdrawal management.

Subd. 3. **Evidence-based practices.** All services delivered within the ASAM levels of care referenced in subdivision 1, clauses (1) to (7), must have documentation of the evidence-based practices being utilized as referenced in the most current edition of the ASAM criteria.

Subd. 4. **Program outreach plan.** Eligible vendors providing services under ASAM levels of care referenced in subdivision 1, clauses (2) to (7), must have a program outreach plan. The treatment director must document a review and update the plan annually. The program outreach plan must include treatment coordination strategies and processes to ensure seamless transitions across the continuum of care. The plan must include how the provider will:

(1) increase the awareness of early intervention treatment services, including but not limited to the services defined in section 254A.03, subdivision 3, paragraph (c);

(2) coordinate, as necessary, with certified community behavioral health clinics when a license holder is located in a geographic region served by a certified community behavioral health clinic;

(3) establish a referral arrangement agreement with a withdrawal management program licensed under chapter 245F when a license holder is located in a geographic region in which a withdrawal management program is licensed under chapter 245F. If a withdrawal management program licensed under chapter 245F is not geographically accessible, the plan must include how the provider will address the client's need for this level of care;

(4) coordinate with inpatient acute-care hospitals, including emergency departments, hospital outpatient clinics, urgent care centers, residential crisis settings, medical detoxification inpatient facilities and ambulatory detoxification providers in the area served by the provider to help transition individuals from emergency department or hospital settings and minimize the time between assessment and treatment;

(5) develop and maintain collaboration with local county and Tribal human services agencies;
and

(6) collaborate with primary care and mental health settings.

Sec. 25. [254B.191] EVIDENCE-BASED TRAINING.

The commissioner must establish ongoing training opportunities for substance use disorder treatment providers under chapter 245F to increase knowledge and develop skills to adopt evidence-based and promising practices in substance use disorder treatment programs. Training opportunities must support the transition to ASAM standards. Training formats may include self or organizational assessments, virtual modules, one-to-one coaching, self-paced courses, interactive hybrid courses, and in-person courses. Foundational and skill-building training topics may include:

- (1) ASAM criteria;
- (2) person-centered and culturally responsive services;
- (3) medical and clinical decision making;
- (4) conducting assessments and appropriate level of care;
- (5) treatment and service planning;
- (6) identifying and overcoming systems challenges;
- (7) conducting clinical case reviews; and
- (8) appropriate and effective transfer and discharge.

Sec. 26. [254B.20] DEFINITIONS.

Subdivision 1. **Applicability.** For the purposes of sections 254B.20 to 254B.24, the following terms have the meanings given.

Subd. 2. **Board.** "Board" means the Board of Recovery Services established by section 254B.21.

Subd. 3. **Credential or credentialing.** "Credential" or "credentialing" means the standardized process of formally reviewing and designating a recovery organization as qualified to employ peer recovery specialists based on criteria established by the board.

Subd. 4. **Minnesota Certification Board.** "Minnesota Certification Board" means the nonprofit agency member board of the International Certification and Reciprocity Consortium that sets the policies and procedures for alcohol and other drug professional certifications in Minnesota, including peer recovery specialists.

Subd. 5. **Peer recovery specialist.** "Peer recovery specialist" has the meaning given to "recovery peer" in section 245F.02, subdivision 21. A peer recovery specialist must meet the qualifications of a recovery peer in section 245G.11, subdivision 8.

Subd. 6. **Peer recovery services.** "Peer recovery services" has the meaning given to "peer recovery support services" in section 245F.02, subdivision 17.

Sec. 27. **[254B.21] MINNESOTA BOARD OF RECOVERY SERVICES.**

Subdivision 1. **Creation.** (a) The Minnesota Board of Recovery Services is established and consists of 13 members appointed by the governor as follows:

(1) five of the members must be certified peer recovery specialists certified under the Minnesota Certification Board with an active credential;

(2) two of the members must be certified peer recovery specialist supervisors certified under the Minnesota Certification Board with an active credential;

(3) four of the members must be currently employed by a Minnesota-based recovery community organization recognized by the commissioner of human services; and

(4) two of the members must be public members as defined in section 214.02, and be either a family member of a person currently using substances or a person in recovery from a substance use disorder.

(b) At the time of their appointments, at least three members must reside outside of the seven-county metropolitan area.

(c) At the time of their appointments, at least three members must be members of:

(1) a community of color; or

(2) an underrepresented community, defined as a group that is not represented in the majority with respect to race, ethnicity, national origin, sexual orientation, gender identity, or physical ability.

Subd. 2. **Officers.** The board must annually elect a chair and vice-chair from among its members and may elect other officers as necessary. The board must meet at least twice a year but may meet more frequently at the call of the chair.

Subd. 3. **Membership terms; compensation.** Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements are as provided in section 15.058.

Subd. 4. **Expiration.** The board does not expire.

Sec. 28. **[254B.22] DUTIES OF THE BOARD.**

The Minnesota Board of Recovery Services shall:

(1) develop and define by rule criteria for credentialing recovery organizations using nationally recognized best practices and standards;

(2) determine the renewal cycle and renewal period for eligible vendors of peer recovery services;

(3) receive, review, approve, or disapprove initial applications, renewals, and reinstatement requests for credentialing from recovery organizations;

(4) establish administrative procedures for processing applications submitted under clause (3) and hire or appoint such agents as are appropriate for processing applications;

(5) retain records of board actions and proceedings in accordance with public records laws; and

(6) establish, maintain, and publish annually a register of current credentialed recovery organizations.

Sec. 29. **[254B.23] REQUIREMENTS FOR CREDENTIALING.**

Subdivision 1. **Application requirements.** An application submitted to the board for credentialing must include:

(1) evidence that the applicant is a nonprofit organization based in Minnesota or meets the eligibility criteria defined by the board;

(2) a description of the applicant's activities and services that support recovery from substance use disorder; and

(3) any other requirements as specified by the board.

Subd. 2. **Fee.** Each applicant must pay a nonrefundable application fee as established by the board. The revenue from the fee must be deposited in the state government special revenue fund.

Sec. 30. **[254B.24] APPEAL AND HEARING.**

A recovery organization aggrieved by the board's failure to issue, renew, or reinstate credentialing under sections 254B.20 to 254B.24 may appeal by requesting a hearing under the procedures of chapter 14.

Sec. 31. **[254B.30] PROJECT ECHO GRANTS.**

Subdivision 1. **Establishment.** The commissioner must establish a grant program to support new or existing Project ECHO programs in the state.

Subd. 2. **Project ECHO at Hennepin Healthcare.** The commissioner must use appropriations under this subdivision to award grants to Hennepin Healthcare to establish at least four substance use disorder-focused Project ECHO programs, expanding the grantee's capacity to improve health and substance use disorder outcomes for diverse populations of individuals enrolled in medical assistance, including but not limited to immigrants, individuals who are homeless, individuals seeking maternal and perinatal care, and other underserved populations. The Project ECHO programs funded under this subdivision must be culturally responsive, and the grantee must contract with culturally and linguistically appropriate substance use disorder service providers who have expertise in focus areas, based on the populations served. Grant funds may be used for program administration, equipment, provider reimbursement, and staffing hours.

Sec. 32. Minnesota Statutes 2022, section 256B.0759, subdivision 2, is amended to read:

Subd. 2. **Provider participation.** (a) ~~Outpatient~~ Programs licensed by the Department of Human Services as nonresidential substance use disorder treatment ~~providers may elect to participate in the demonstration project and meet the requirements of subdivision 3. To participate, a provider must notify the commissioner of the provider's intent to participate in a format required by the commissioner and enroll as a demonstration project provider~~ programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(b) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(c) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter and are licensed as a hospital under sections 144.50 to 144.581 must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025.

~~(d)~~ (d) Programs licensed by the Department of Human Services as withdrawal management programs according to chapter 245F that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

~~(e)~~ (e) Out-of-state residential substance use disorder treatment programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

~~(e)~~ (f) Tribally licensed programs may elect to participate in the demonstration project and meet the requirements of subdivision 3. The Department of Human Services must consult with Tribal nations to discuss participation in the substance use disorder demonstration project.

~~(f)~~ (g) The commissioner shall allow providers enrolled in the demonstration project before July 1, 2021, to receive applicable rate enhancements authorized under subdivision 4 for all services provided on or after the date of enrollment, except that the commissioner shall allow a provider to receive applicable rate enhancements authorized under subdivision 4 for services provided on or after July 22, 2020, to fee-for-service enrollees, and on or after January 1, 2021, to managed care enrollees, if the provider meets all of the following requirements:

(1) the provider attests that during the time period for which the provider is seeking the rate enhancement, the provider took meaningful steps in their plan approved by the commissioner to meet the demonstration project requirements in subdivision 3; and

(2) the provider submits attestation and evidence, including all information requested by the commissioner, of meeting the requirements of subdivision 3 to the commissioner in a format required by the commissioner.

~~(g)~~ (h) The commissioner may recoup any rate enhancements paid under paragraph ~~(f)~~ (g) to a provider that does not meet the requirements of subdivision 3 by July 1, 2021.

Sec. 33. Minnesota Statutes 2022, section 256I.05, is amended by adding a subdivision to read:

Subd. 1s. **Supplemental rate; Douglas County.** Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2023, a county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, including any legislatively authorized inflationary adjustments, for a housing support provider located in Douglas County that operates a long-term residential facility with a total of 74 beds that serve chemically dependent men and provide 24-hour-a-day supervision and other support services.

Sec. 34. Minnesota Statutes 2022, section 256I.05, is amended by adding a subdivision to read:

Subd. 1t. **Supplemental rate; Crow Wing County.** Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2023, a county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, including any legislatively authorized inflationary adjustments, for a housing support provider located in Crow Wing County that operates a long-term residential facility with a total of 90 beds that serve chemically dependent men and women and provides 24-hour-a-day supervision and other support services.

Sec. 35. **[325F.725] SOBER HOME TITLE PROTECTION.**

No person or entity may use the phrase "sober home," whether alone or in combination with other words and whether orally or in writing, to advertise, market, or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity is a cooperative living residence, a room and board residence, an apartment, or any other living accommodation that provides temporary housing to persons with a substance use disorder, does not provide counseling or treatment services to residents, promotes sustained

recovery from substance use disorders, and follows the sober living guidelines published by the federal Substance Abuse and Mental Health Services Administration.

Sec. 36. **CULTURALLY RESPONSIVE RECOVERY COMMUNITY GRANTS.**

The commissioner must establish start-up and capacity-building grants for prospective or new recovery community organizations serving or intending to serve culturally specific or population-specific recovery communities. Grants may be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

- (1) costs associated with hiring and retaining staff;
- (2) staff training, purchasing office equipment and supplies;
- (3) purchasing software and website services;
- (4) costs associated with establishing nonprofit status;
- (5) rental and lease costs and community outreach; and
- (6) education and recovery events.

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

Sec. 37. **WITHDRAWAL MANAGEMENT START-UP AND CAPACITY-BUILDING GRANTS.**

The commissioner must establish start-up and capacity-building grants for prospective or new withdrawal management programs that will meet medically monitored or clinically monitored levels of care. Grants may be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

- (1) costs associated with hiring staff;
- (2) costs associated with staff retention;
- (3) the purchase of office equipment and supplies;
- (4) the purchase of software;
- (5) costs associated with obtaining applicable and required licenses;
- (6) business formation costs;
- (7) costs associated with staff training; and
- (8) the purchase of medical equipment and supplies necessary to meet health and safety requirements.

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

Sec. 38. **FAMILY TREATMENT START-UP AND CAPACITY-BUILDING GRANTS.**

The commissioner must establish start-up and capacity-building grants for prospective or new substance use disorder treatment programs that serve parents with their children. Grants must be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

(1) physical plant upgrades to support larger family units;

(2) supporting the expansion or development of programs that provide holistic services, including trauma supports, conflict resolution, and parenting skills;

(3) increasing awareness, education, and outreach utilizing culturally responsive approaches to develop relationships between culturally specific communities and clinical treatment provider programs; and

(4) expanding culturally specific family programs and accommodating diverse family units.

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

Sec. 39. **MEDICAL ASSISTANCE BEHAVIORAL HEALTH SYSTEM TRANSFORMATION STUDY.**

The commissioner, in consultation with stakeholders, must evaluate the feasibility, potential design, and federal authorities needed to cover traditional healing, behavioral health services in correctional facilities, and contingency management under the medical assistance program.

Sec. 40. **REVISED PAYMENT METHODOLOGY FOR OPIOID TREATMENT PROGRAMS.**

The commissioner must revise the payment methodology for substance use services with medications for opioid use disorder under Minnesota Statutes, section 254B.05, subdivision 5, paragraph (b), clause (6). Payment must occur only if the provider renders the service or services billed on that date of service or, in the case of drugs and drug-related services, within a week as defined by the commissioner. The revised payment methodology must include a weekly bundled rate that includes the costs of drugs, drug administration and observation, drug packaging and preparation, and nursing time. The bundled weekly rate must be based on the Medicare rate. The commissioner must seek all necessary waivers, state plan amendments, and federal authorities required to implement the revised payment methodology.

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

Sec. 41. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 245G.01, subdivision 20b, as Minnesota Statutes, section 245G.01, subdivision 20d, and make any necessary changes to cross-references.

Sec. 42. **REPEALER.**

(a) Minnesota Statutes 2022, sections 245G.05, subdivision 2; and 256B.0759, subdivision 6, are repealed.

(b) Minnesota Statutes 2022, section 246.18, subdivisions 2 and 2a, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024. Paragraph (b) is effective July 1, 2023.

ARTICLE 5

SUBSTANCE USE DISORDER

Section 1. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph ~~(d)~~ (e).

Sec. 2. [121A.224] OPIATE ANTAGONISTS.

(a) A school district or charter school must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each school site to be administered in compliance with section 151.37, subdivision 12.

(b) Each school building must have two doses of nasal naloxone available on site.

(c) The commissioner of health must develop and disseminate to schools a short training video about how and when to administer nasal naloxone. The person having control of the school building must ensure that at least one staff member trained on how and when to administer nasal naloxone is on site when the school building is open to students, staff, or the public, including before school, after school, or weekend activities.

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

Sec. 3. Minnesota Statutes 2022, section 151.065, subdivision 7, is amended to read:

Subd. 7. **Deposit of fees.** (a) The license fees collected under this section, with the exception of the fees identified in paragraphs (b) and (c), shall be deposited in the state government special revenue fund.

(b) \$5,000 of each fee collected under subdivision 1, clauses (6) to (9), and (11) to (15), and subdivision 3, clauses (4) to (7), and (9) to (13), and \$55,000 of each fee collected under subdivision 1, clause (16), and subdivision 3, clause (14), shall be deposited in the opiate epidemic response fund established in section 256.043.

~~(c) If the fees collected under subdivision 1, clause (16), or subdivision 3, clause (14), are reduced under section 256.043, \$5,000 of the reduced fee shall be deposited in the opiate epidemic response fund in section 256.043.~~

Sec. 4. Minnesota Statutes 2022, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter

14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same

as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 5. Minnesota Statutes 2022, section 241.31, subdivision 5, is amended to read:

Subd. 5. **Minimum standards.** The commissioner of corrections shall establish minimum standards for the size, area to be served, qualifications of staff, ratio of staff to client population, and treatment programs for community corrections programs established pursuant to this section. Plans and specifications for such programs, including proposed budgets must first be submitted to the commissioner for approval prior to the establishment. Community corrections programs must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each correctional site to be administered in compliance with section 151.37, subdivision 12. Each site must have at least two doses of naloxone on site. Staff must be trained on how and when to administer opiate antagonists.

Sec. 6. Minnesota Statutes 2022, section 241.415, is amended to read:

241.415 RELEASE PLANS; SUBSTANCE ABUSE.

The commissioner shall cooperate with community-based corrections agencies to determine how best to address the substance abuse treatment needs of offenders who are being released from prison. The commissioner shall ensure that an offender's prison release plan adequately addresses the offender's needs for substance abuse assessment, treatment, or other services following release, within the limits of available resources. The commissioner must provide individuals with known or stated histories of opioid use disorder with emergency opiate antagonist rescue kits upon release.

Sec. 7. **[245.89] PUBLIC AWARENESS CAMPAIGN.**

(a) The commissioner must establish an ongoing, multitiered public awareness and educational campaign on substance use disorders. The campaign must include strategies to prevent substance use disorder, reduce stigma, and ensure people know how to access treatment, recovery, and harm reduction services.

(b) The commissioner must consult with communities disproportionately impacted by substance use disorder to ensure the campaign centers lived experience and equity. The commissioner may also consult with and establish relationships with media and communication experts, behavioral health professionals, state and local agencies, and community organizations to design and implement the campaign.

(c) The campaign must include awareness-raising and educational information using multichannel marketing strategies, social media, virtual events, press releases, reports, and targeted outreach. The

commissioner must evaluate the effectiveness of the campaign and modify outreach and strategies as needed.

Sec. 8. **[245.891] OVERDOSE SURGE ALERT SYSTEM.**

The commissioner must establish a statewide overdose surge text message alert system. The system may include other forms of electronic alerts. The purpose of the system is to prevent opioid overdose by cautioning people to refrain from substance use or to use harm-reduction strategies when there is an overdose surge in the surrounding area. The commissioner may collaborate with local agencies, other state agencies, and harm-reduction organizations to promote and improve the voluntary text service.

Sec. 9. **[245.892] HARM-REDUCTION AND CULTURALLY SPECIFIC GRANTS.**

(a) The commissioner must establish grants for Tribal Nations or culturally specific organizations to enhance and expand capacity to address the impacts of the opioid epidemic in their respective communities. Grants may be used to purchase and distribute harm-reduction supplies, develop organizational capacity, and expand culturally specific services.

(b) Harm-reduction grant funds must be used to promote safer practices and reduce the transmission of infectious disease. Allowable expenses include fentanyl-testing supplies, disinfectants, naloxone rescue kits, sharps disposal, wound-care supplies, medication lock boxes, FDA-approved home testing kits for viral hepatitis and HIV, and written educational and resource materials.

(c) Culturally specific organizational capacity grant funds must be used to develop and improve organizational infrastructure to increase access to culturally specific services and community building. Allowable expenses include funds for organizations to hire staff or consultants who specialize in fundraising, grant writing, business development, and program integrity or other identified organizational needs as approved by the commissioner.

(d) Culturally specific service grant funds must be used to expand culturally specific outreach and services. Allowable expenses include hiring or consulting with cultural advisors, resources to support cultural traditions, and education to empower, develop a sense of community, and develop a connection to ancestral roots.

(e) Training grant funds may be used to provide information and training on safe storage and use of opiate antagonists. Training may be conducted via multiple modalities, including but not limited to in-person, virtual, written, and video recordings.

Sec. 10. Minnesota Statutes 2022, section 245G.08, subdivision 3, is amended to read:

Subd. 3. ~~Standing order protocol~~ **Emergency overdose treatment.** A license holder ~~that maintains~~ must maintain a supply of ~~naloxone~~ opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of naloxone on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both.

Sec. 11. Minnesota Statutes 2022, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to ~~(h)~~ (j) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) \$100,000 is appropriated to the commissioner of human services for grants for overdose antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and overdose antagonist distribution.

(d) \$2,000,000 is appropriated to the commissioner of human services for grants to Tribal Nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(e) \$400,000 is appropriated to the commissioner of human services for grants of \$200,000 to CHI St. Gabriel's Health Family Medical Center for the opioid-focused Project ECHO program and \$200,000 to Hennepin Health Care for the opioid-focused Project ECHO program.

~~(e)~~ (f) \$300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

~~(d)~~ (g) \$249,000 is in fiscal year 2023, \$375,000 in fiscal year 2024, and \$315,000 each year thereafter are appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph ~~(h)~~ (k).

~~(e)~~ (h) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

~~(f)~~ (i) \$672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

~~(g)~~ (j) After the appropriations in paragraphs (b) to ~~(f)~~ (i) are made, 50 percent of the remaining amount is appropriated to the commissioner of human services for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects based on out-of-home placement episodes where parental drug abuse is the primary reason for the out-of-home placement using data from the previous calendar year. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant

current state or local funding received for child protection services for children and families who are affected by addiction.

~~(h)~~ (k) After the appropriations in paragraphs (b) to ~~(g)~~ (j) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

~~(i)~~ (l) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph ~~(g)~~ (j) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph ~~(h)~~ (k) may be distributed on a calendar year basis.

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

Sec. 12. Minnesota Statutes 2022, section 256.043, subdivision 3a, is amended to read:

Subd. 3a. **Appropriations from settlement account.** (a) The appropriations in paragraphs (b) to (e) shall be made from the settlement account on a fiscal year basis in the order specified.

(b) If the balance in the registration and license fee account is not sufficient to fully fund the appropriations specified in subdivision 3, paragraphs (b) to ~~(f)~~ (i), an amount necessary to meet any insufficiency shall be transferred from the settlement account to the registration and license fee account to fully fund the required appropriations.

(c) \$209,000 in fiscal year 2023 and \$239,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services for the administration of grants awarded under paragraph (e). \$276,000 in fiscal year 2023 and \$151,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services to collect, collate, and report data submitted and to monitor compliance with reporting and settlement expenditure requirements by grantees awarded grants under this section and municipalities receiving direct payments from a statewide opioid settlement agreement as defined in section 256.042, subdivision 6.

(d) After any appropriations necessary under paragraphs (b) and (c) are made, an amount equal to the calendar year allocation to Tribal social service agency initiative projects under subdivision 3, paragraph ~~(g)~~ (j), is appropriated from the settlement account to the commissioner of human services for distribution to Tribal social service agency initiative projects to provide child protection services to children and families who are affected by addiction. The requirements related to proportional distribution, annual reporting, and maintenance of effort specified in subdivision 3, paragraph ~~(g)~~ (j), also apply to the appropriations made under this paragraph.

(e) After making the appropriations in paragraphs (b), (c), and (d), the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042.

(f) Funds for Tribal social service agency initiative projects under paragraph (d) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (e) may be distributed on a calendar year basis.

(g) Notwithstanding section 16A.28, funds appropriated in paragraphs (d) and (e) are available for three years.

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

Sec. 13. **[256L.052] OPIATE ANTAGONISTS.**

(a) Site-based or group housing support settings must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, at each housing site to be administered in compliance with section 151.37, subdivision 12.

(b) Each site must have at least two doses of naloxone on site.

(c) Staff on site must have training on how and when to administer opiate antagonists.

Sec. 14. Laws 2019, chapter 63, article 3, section 1, as amended by Laws 2020, chapter 115, article 3, section 35, and Laws 2022, chapter 53, section 12, is amended to read:

Section 1. **APPROPRIATIONS.**

(a) **Board of Pharmacy; administration.** \$244,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for onetime information technology and operating costs for administration of licensing activities under Minnesota Statutes, section 151.066. This is a onetime appropriation.

(b) **Commissioner of human services; administration.** \$309,000 in fiscal year 2020 is appropriated from the general fund and \$60,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraphs (f), (g), and (h). The opiate epidemic response fund base for this appropriation is \$60,000 in fiscal year 2022, \$60,000 in fiscal year 2023, ~~\$60,000 in fiscal year 2024,~~ and \$0 in fiscal year ~~2025~~ 2024.

(c) **Board of Pharmacy; administration.** \$126,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(d) **Commissioner of public safety; enforcement activities.** \$672,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(e) **Commissioner of management and budget; evaluation activities.** \$300,000 in fiscal year 2020 is appropriated from the general fund and \$300,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of management and budget for evaluation activities under Minnesota Statutes, section 256.042, subdivision 1, paragraph (c).

(f) **Commissioner of human services; grants for Project ECHO.** \$400,000 in fiscal year 2020 is appropriated from the general fund and \$400,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for grants of \$200,000 to

CHI St. Gabriel's Health Family Medical Center for the opioid-focused Project ECHO program and \$200,000 to Hennepin Health Care for the opioid-focused Project ECHO program. The opiate epidemic response fund base for this appropriation is \$400,000 in fiscal year 2022, \$400,000 in fiscal year 2023, \$400,000 in fiscal year 2024, and \$0 in fiscal year 2025.

(g) **Commissioner of human services; opioid overdose prevention grant.** \$100,000 in fiscal year 2020 is appropriated from the general fund and \$100,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for a grant to a nonprofit organization that has provided overdose prevention programs to the public in at least 60 counties within the state, for at least three years, has received federal funding before January 1, 2019, and is dedicated to addressing the opioid epidemic. The grant must be used for opioid overdose prevention, community asset mapping, education, and overdose antagonist distribution. ~~The opiate epidemic response fund base for this appropriation is \$100,000 in fiscal year 2022, \$100,000 in fiscal year 2023, \$100,000 in fiscal year 2024, and \$0 in fiscal year 2025.~~

(h) **Commissioner of human services; traditional healing.** \$2,000,000 in fiscal year 2020 is appropriated from the general fund and \$2,000,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services to award grants to Tribal nations and five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce. ~~The opiate epidemic response fund base for this appropriation is \$2,000,000 in fiscal year 2022, \$2,000,000 in fiscal year 2023, \$2,000,000 in fiscal year 2024, and \$0 in fiscal year 2025.~~

(i) **Board of Dentistry; continuing education.** \$11,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Dentistry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(j) **Board of Medical Practice; continuing education.** \$17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(k) **Board of Nursing; continuing education.** \$17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Nursing to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(l) **Board of Optometry; continuing education.** \$5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Optometry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(m) **Board of Podiatric Medicine; continuing education.** \$5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Podiatric Medicine to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(n) **Commissioner of health; nonnarcotic pain management and wellness.** \$1,250,000 is appropriated in fiscal year 2020 from the general fund to the commissioner of health, to provide funding for:

(1) statewide mapping and assessment of community-based nonnarcotic pain management and wellness resources; and

(2) up to five demonstration projects in different geographic areas of the state to provide community-based nonnarcotic pain management and wellness resources to patients and consumers.

The demonstration projects must include an evaluation component and scalability analysis. The commissioner shall award the grant for the statewide mapping and assessment, and the demonstration project grants, through a competitive request for proposal process. Grants for statewide mapping and assessment and demonstration projects may be awarded simultaneously. In awarding demonstration project grants, the commissioner shall give preference to proposals that incorporate innovative community partnerships, are informed and led by people in the community where the project is taking place, and are culturally relevant and delivered by culturally competent providers. This is a onetime appropriation.

(o) **Commissioner of health; administration.** \$38,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of health for the administration of the grants awarded in paragraph (n).

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

Sec. 15. **OPIATE ANTAGONIST TRAINING GRANTS.**

The commissioner must establish grants to support training on how to safely store opiate antagonists, opioid overdose symptoms and identification, and how and when to administer opiate antagonists. Eligible grantees include correctional facilities or programs, housing programs, and substance use disorder programs.

ARTICLE 6

OPIOID PRESCRIBING IMPROVEMENT PROGRAM

Section 1. Minnesota Statutes 2022, section 256B.0638, subdivision 2, is amended to read:

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

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

(c) "Commissioners" means the commissioner of human services and the commissioner of health.

(d) "DEA" means the United States Drug Enforcement Administration.

(e) "Minnesota health care program" means a public health care program administered by the commissioner of human services under this chapter and chapter 256L, and the Minnesota restricted recipient program.

(f) "Opioid disenrollment standards" means parameters of opioid prescribing practices that fall outside community standard thresholds for prescribing to such a degree that a provider must be disenrolled as a medical assistance provider.

(g) "Opioid prescriber" means a licensed health care provider who prescribes opioids to ~~medical assistance and MinnesotaCare~~ Minnesota health care program enrollees under the fee-for-service system or under a managed care or county-based purchasing plan.

(h) "Opioid quality improvement standard thresholds" means parameters of opioid prescribing practices that fall outside community standards for prescribing to such a degree that quality improvement is required.

(i) "Program" means the statewide opioid prescribing improvement program established under this section.

(j) "Provider group" means a clinic, hospital, or primary or specialty practice group that employs, contracts with, or is affiliated with an opioid prescriber. Provider group does not include a professional association supported by dues-paying members.

(k) "Sentinel measures" means measures of opioid use that identify variations in prescribing practices during the prescribing intervals.

Sec. 2. Minnesota Statutes 2022, section 256B.0638, subdivision 4, is amended to read:

Subd. 4. **Program components.** (a) The working group shall recommend to the commissioners the components of the statewide opioid prescribing improvement program, including, but not limited to, the following:

(1) developing criteria for opioid prescribing protocols, including:

(i) prescribing for the interval of up to four days immediately after an acute painful event;

(ii) prescribing for the interval of up to 45 days after an acute painful event; and

(iii) prescribing for chronic pain, which for purposes of this program means pain lasting longer than 45 days after an acute painful event;

(2) developing sentinel measures;

(3) developing educational resources for opioid prescribers about communicating with patients about pain management and the use of opioids to treat pain;

(4) developing opioid quality improvement standard thresholds and opioid ~~disenrollment~~ standards for opioid prescribers and provider groups. ~~In developing opioid disenrollment standards, the standards may be described in terms of the length of time in which prescribing practices fall outside community standards and the nature and amount of opioid prescribing that fall outside community standards; and~~

(5) addressing other program issues as determined by the commissioners.

(b) The opioid prescribing protocols shall not apply to opioids prescribed for patients who are experiencing pain caused by a malignant condition or who are receiving hospice care or palliative care, or to opioids prescribed for substance use disorder treatment with medications for opioid use disorder.

(c) All opioid prescribers who prescribe opioids to Minnesota health care program enrollees must participate in the program in accordance with subdivision 5. Any other prescriber who prescribes opioids may comply with the components of this program described in paragraph (a) on a voluntary basis.

Sec. 3. Minnesota Statutes 2022, section 256B.0638, subdivision 5, is amended to read:

Subd. 5. **Program implementation.** (a) The commissioner shall implement the ~~programs within the Minnesota health care~~ quality improvement program to improve the health of and quality of care provided to Minnesota health care program enrollees. The commissioner shall annually collect and report to provider groups the sentinel measures of data showing individual opioid prescribers' opioid prescribing patterns compared to their anonymized peers. Provider groups shall distribute data to their affiliated, contracted, or employed opioid prescribers.

(b) The commissioner shall notify an opioid prescriber and all provider groups with which the opioid prescriber is employed or affiliated when the opioid prescriber's prescribing pattern exceeds the opioid quality improvement standard thresholds. An opioid prescriber and any provider group that receives a notice under this paragraph shall submit to the commissioner a quality improvement plan for review and approval by the commissioner with the goal of bringing the opioid prescriber's prescribing practices into alignment with community standards. A quality improvement plan must include:

(1) components of the program described in subdivision 4, paragraph (a);

(2) internal practice-based measures to review the prescribing practice of the opioid prescriber and, where appropriate, any other opioid prescribers employed by or affiliated with any of the provider groups with which the opioid prescriber is employed or affiliated; and

(3) appropriate use of the prescription monitoring program under section 152.126.

(c) If, after a year from the commissioner's notice under paragraph (b), the opioid prescriber's prescribing practices do not improve so that they are consistent with community standards, the commissioner ~~shall~~ may take one or more of the following steps:

(1) monitor prescribing practices more frequently than annually;

(2) monitor more aspects of the opioid prescriber's prescribing practices than the sentinel measures; or

(3) require the opioid prescriber to participate in additional quality improvement efforts, including but not limited to mandatory use of the prescription monitoring program established under section 152.126.

(d) The commissioner shall terminate from Minnesota health care programs all opioid prescribers and provider groups whose prescribing practices fall within the applicable opioid disenrollment standards.

(e) No physician, advanced practice registered nurse, or physician assistant, acting in good faith based on the needs of the patient, may be disenrolled by the commissioner of human services solely for prescribing a dosage that equates to an upward deviation from morphine milligram equivalent dosage recommendations specified in state or federal opioid prescribing guidelines or policies, or quality improvement thresholds established under this section.

Sec. 4. **REPEALER.**

Minnesota Statutes 2022, section 256B.0638, subdivisions 1, 2, 3, 4, 5, and 6, are repealed.

EFFECTIVE DATE. This section is effective June 30, 2024.

ARTICLE 7

DEPARTMENT OF DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2022, section 246.54, subdivision 1a, is amended to read:

Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the following schedule:

(1) zero percent for the first 30 days;

(2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate for the client; and

(3) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged. The county is responsible for zero percent of the cost of care under this clause for a person committed as a person who has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting transfer to another state-operated facility or program.

Notwithstanding any law to the contrary, the client is not responsible for payment of the cost of care under this subdivision.

(b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause (2), the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

Sec. 2. Minnesota Statutes 2022, section 246.54, subdivision 1b, is amended to read:

General	<u>6,732,703,000</u>	<u>7,314,065,000</u>
Health Care Access	<u>26,000</u>	<u>59,000</u>
Lottery Prize	<u>1,733,000</u>	<u>1,733,000</u>
Opiate Epidemic Response	<u>500,000</u>	<u>-0-</u>

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

Subd. 2. Central Office; Operations 15,739,000 11,266,000

Base level adjustment. The general fund base is \$5,165,000 in fiscal year 2026 and \$5,015,000 in fiscal year 2027.

Subd. 3. Central Office; Health Care 3,513,000 4,302,000

Base level adjustment. The general fund base is \$4,032,000 in fiscal year 2026 and \$4,032,000 in fiscal year 2027.

Subd. 4. Central Office; Aging and Disabilities Services 17,221,000 21,454,000

(a) Research on access to long-term care services and financing. \$700,000 in fiscal year 2024 is from the general fund for additional funding for the actuarial research study of public and private financing options for long-term services and supports reform under Laws 2021, First Special Session chapter 7, article 17, section 16. This is a onetime appropriation.

(b) Case management training curriculum. \$377,000 in fiscal year 2024 and \$377,000 fiscal year 2025 are to develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for individuals who use home and community-based disability services and live in own-home settings. This is a onetime appropriation.

(c) Office of ombudsman for long-term care. \$1,744,000 in fiscal year 2024 and

\$2,049,000 in fiscal year 2025 are for additional staff and associated direct costs in the Office of Ombudsman for Long-Term Care. The additional staff must include ten full-time regional ombudsmen, two full-time supervisors, and five additional full-time support staff.

(d) Direct care services corps pilot project. \$500,000 in fiscal year 2024 is from the general fund for a grant to the Metropolitan Center for Independent Living for the direct care services corps pilot project. Up to \$25,000 may be used by the Metropolitan Center for Independent Living for administrative costs. This is a onetime appropriation.

(e) Base level adjustment. The general fund base is \$7,468,000 in fiscal year 2026 and \$7,465,000 in fiscal year 2027.

Subd. 5. Central Office; Behavioral Health, Housing, and Deaf and Hard of Hearing Services

4,857,000

6,539,000

(a) Competency-based training funding for substance use disorder provider community. \$150,000 in fiscal year 2024 and \$150,000 in fiscal year 2025 are from the general fund to provide funding for provider participation in clinical training for the transition to American Society of Addiction Medicine standards.

(b) Public awareness campaign. \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are from the general fund for a public awareness campaign under Minnesota Statutes, section 245.89.

(c) Bad batch overdose surge text alert system. \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are from the general fund for a overdose surge alert system under Minnesota Statutes, section 245.891.

(d) Base level adjustment. The general fund base is \$4,029,000 in fiscal year 2026 and \$4,029,000 in fiscal year 2027.

<u>Subd. 6. Forecasted Programs; Housing Support</u>	<u>305,000</u>	<u>666,000</u>
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<u>Subd. 7. Forecasted Programs; MinnesotaCare</u>	<u>26,000</u>	<u>59,000</u>
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This appropriation is from the Health Care Access Fund.

<u>Subd. 8. Forecasted Programs; Medical Assistance</u>	<u>5,714,700,000</u>	<u>6,360,965,000</u>
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<u>Subd. 9. Forecasted Programs; Alternative Care</u>	<u>47,189,000</u>	<u>51,046,000</u>
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Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but must be transferred to the medical assistance account.

<u>Subd. 10. Forecasted Programs; Behavioral Health Fund</u>	<u>96,387,000</u>	<u>98,417,000</u>
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<u>Subd. 11. Grant Programs; Other Long-Term Care Grants</u>	<u>31,073,000</u>	<u>27,001,000</u>
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(a) Provider capacity grant for rural and underserved communities. \$455,000 in fiscal year 2024 and \$15,492,000 in fiscal year 2025 are for provider capacity grants for rural and underserved communities under Minnesota Statutes, section 256.4761. Of this amount, \$13,016,000 in fiscal year 2025 is for grants, and \$455,000 in fiscal year 2024 and \$2,476,000 in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027.

(b) Long-term care workforce grants for new Americans. \$10,886,000 in fiscal year 2024 and \$10,886,000 in fiscal year 2025 are for long-term care workforce grants for new Americans under Minnesota Statutes, section 256.4762. Of this amount, \$10,060,000 in fiscal year 2024 and \$10,060,000 in fiscal year 2025 are for grants to counties, and \$826,000 in fiscal year 2024 and \$826,000 in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section

16A.28, this appropriation is available until June 30, 2027.

(c) **Supported decision making grants.** \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for supported decision making grants under Minnesota Statutes, section 256.4771.

(d) **Base level adjustment.** The general fund base is \$1,925,000 in fiscal year 2026 and \$1,925,000 in fiscal year 2027.

Subd. 12. **Grant Programs; Aging and Adult Services Grants**

100,027,000

105,417,000

(a) **Vulnerable Adult Act redesign phase two.** \$30,101,000 in fiscal year 2024 and \$28,700,000 in fiscal year 2025 are for the Vulnerable Adult Act redesign phase two. Of this amount, \$19,791,000 in fiscal year 2024 and \$20,652,000 in fiscal year 2025 are for grants to counties, and \$10,310,000 in fiscal year 2024 and \$8,048,000 in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027.

(b) **Caregiver respite services grants.** \$304,000 in fiscal year 2024 and \$6,936,000 in fiscal year 2025 are for caregiver respite services grants under Minnesota Statutes, section 256.9756. \$6,009,000 in fiscal year 2025 is for grants, and \$304,000 in fiscal year 2024 and \$927,000 in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(c) **Live well at home grants.** \$30,000,000 in fiscal year 2024 and \$30,000,000 in fiscal year 2025 are for live well at home grants under Minnesota Statutes, section 256.9754, subdivision 3f. This is a onetime appropriation and is available until June 30, 2027.

(d) Senior nutrition program. \$16,098,000 in fiscal year 2024 and \$16,351,000 in fiscal year 2025 are for the senior nutrition program. \$16,000,000 in fiscal year 2024 and \$16,000,000 in fiscal year 2025 are for grants, and \$307,000 in fiscal year 2024 and \$351,000 in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) Boundary Waters Care Center. \$250,000 in fiscal year 2024 is for a sole source grant to Boundary Waters Care Center in Ely, Minnesota.

(f) Base level adjustment. The general fund base is \$32,995,000 in fiscal year 2026 and \$32,995,000 in fiscal year 2027.

Subd. 13. <u>Deaf and Hard of Hearing Grants</u>	<u>2,886,000</u>	<u>2,886,000</u>
Subd. 14. <u>Grant Programs; Disabilities Grants</u>	<u>152,294,000</u>	<u>42,618,000</u>

(a) Direct Support Connect. The base is increased by \$250,000 in fiscal year 2026 for Direct Support Connect. This is a onetime base adjustment.

(b) Home and community-based services innovation pool. \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for the home and community-based services innovation pool under Minnesota Statutes, section 256B.0921.

(c) Emergency grants for autism spectrum disorder treatment. \$10,000,000 in fiscal year 2024 and \$10,000,000 in fiscal year 2025 are for the emergency grant program for autism spectrum disorder treatment providers. This is a onetime appropriation and is available until June 30, 2025.

(d) Temporary grants for small customized living providers. \$650,000 in fiscal year 2024 and \$650,000 in fiscal year 2025 are for grants to assist small customized living

providers to transition to community residential services licensure or integrated community supports licensure. This is a onetime appropriation.

(e) Electronic visit verification stipends. \$6,095,000 in fiscal year 2024 is for onetime stipends of \$200 to bargaining members to offset the potential costs related to people using individual devices to access the electronic visit verification system. Of this amount, \$5,600,000 is for stipends and \$495,000 is for administration. This is a onetime appropriation and is available until June 30, 2025.

(f) Self-directed collective bargaining agreement; temporary rate increase memorandum of understanding. \$1,600,000 in fiscal year 2024 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. Of this amount, \$1,400,000 of the appropriation is for stipends and \$200,000 is for administration. This is a onetime appropriation.

(g) Self-directed collective bargaining agreement; retention bonuses. \$50,750,000 in fiscal year 2024 is for onetime retention bonuses covered by the SEIU collective bargaining agreement. Of this amount, \$50,000,000 is for retention bonuses and \$750,000 is for administration of the bonuses. This is a onetime appropriation and is available until June 30, 2025.

(h) Training stipends. \$2,100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for onetime stipends of \$500 for collective bargaining unit members who complete designated, voluntary trainings made available through or recommended by the State Provider Cooperation Committee. Of this amount, \$2,000,000 in fiscal year

2024 is for stipends, and \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for administration. This is a onetime appropriation.

(i) **Orientation program.** \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for onetime \$100 payments to collective bargaining unit members who complete voluntary orientation requirements. Of this amount, \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the onetime \$100 payments, and \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for orientation-related costs. This is a onetime appropriation.

(j) **Home Care Orientation Trust.** \$1,000,000 in fiscal year 2024 is for the Home Care Orientation Trust under Minnesota Statutes, section 179A.54, subdivision 11. The commissioner shall disburse the appropriation to the board of trustees of the Home Care Orientation Trust for deposit into an account designated by the board of trustees outside the state treasury and state's accounting system. This is a onetime appropriation.

(k) **HIV/AIDS support services.** \$10,100,000 in fiscal year 2024 is for grants to community-based HIV/AIDS support services providers and for payment of allowed health care costs as defined in Minnesota Statutes, section 256.935. This is a onetime appropriation.

(l) **Motion analysis advancements clinical study.** \$400,000 in fiscal year 2024 is for a grant to the Mayo Clinic Motion Analysis Laboratory and Limb Lab for continued research in motion analysis and patient care. This is a onetime appropriation and is available through June 30, 2025.

(m) **Parent-to-parent peer support grants.** \$75,000 in fiscal year 2024 and \$75,000 in

fiscal year 2025 are for a grant under Minnesota Statutes, section 256.4776.

(n) **Self-advocacy grants.** \$323,000 in fiscal year 2024 and \$323,000 in fiscal year 2025 are for self-advocacy grants under Minnesota Statutes, section 256.477. Of these amounts, \$218,000 in fiscal year 2024 and \$218,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), clauses (5) to (7), and for administrative costs, and \$105,000 in fiscal year 2024 and \$105,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 2.

(o) **Home and community-based workforce incentive fund grants.** \$35,641,000 in fiscal year 2024 and \$4,910,000 in fiscal year 2025 are for the home and community-based workforce incentive fund grants under Minnesota Statutes, section 256.4764. The base for this appropriation is \$3,151,000 in fiscal year 2026 and \$2,328,000 in fiscal year 2027.

(p) **Technology grants.** \$300,000 in fiscal year 2024 and \$..... in fiscal year 2025 are for technology grants under Minnesota Statutes, section

(q) **Base level adjustment.** The general fund base is \$28,359,000 in fiscal year 2026 and \$27,286,000 in fiscal year 2027.

Subd. 15. Grant Programs; Adult Mental Health Grants

1,200,000

3,200,000

(a) **Training for peer workforce.** \$1,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 from the general fund are for peer workforce training grants. This is a onetime appropriation and is available until June 30, 2027.

(b) **Family enhancement center.** \$360,000 in fiscal year 2024 and \$360,000 in fiscal year 2025 are for a grant to the Family

Enhancement Center to develop, maintain, and expand community-based social engagement and connection programs to help families dealing with trauma and mental health issues develop connections with each other and their communities, including the NEST parent monitoring program, the cook to connect program, and the call to movement initiative. This paragraph does not expire.

(c) **Base level adjustment.** The general fund base is \$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027.

Subd. 16. Grant Programs; Chemical Dependency Treatment Support Grants

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>24,275,000</u>	<u>21,047,000</u>
<u>Lottery Prize</u>	<u>1,733,000</u>	<u>1,733,000</u>
<u>Opiate Epidemic Response</u>	<u>500,000</u>	<u>-0-</u>

(a) **Culturally-specific recovery community organization start-up grants.** \$1,141,000 in fiscal year 2024 and \$3,492,000 in fiscal year 2025 are for culturally-specific recovery community organization start-up grants. \$1,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are for grants, and \$141,000 in fiscal year 2024 and \$492,000 in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) **Culturally-specific services grants.** \$..... in fiscal year 2024 and \$..... in fiscal year 2025 are for grants to culturally-specific providers for technical assistance navigating culturally-specific and responsive substance use and recovery programs. Of this amount, \$1,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are for grants, and \$..... in fiscal year 2024 and \$..... in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section

16A.28, this appropriation is available until June 30, 2027.

(c) Culturally-specific grant development trainings. \$..... in fiscal year 2024 and \$..... in fiscal year 2025 are for grants for up to four trainings for community members and culturally-specific providers for grant writing training for substance use and recovery. Of this amount, \$200,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are for grants, and \$..... in fiscal year 2024 and \$..... in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(d) Harm reduction and culturally-specific grants. \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are to provide sole source grants to culturally-specific communities to purchase testing supplies and naloxone.

(e) Families and family treatment capacity-building and start-up grants. \$10,000,000 in fiscal year 2024 is for start-up and capacity-building grants for family substance use disorder treatment programs. This is a onetime appropriation and is available until June 30, 2029.

(f) Start-up and capacity building grants for withdrawal management. \$641,000 in fiscal year 2024 and \$3,492,000 in fiscal year 2025 are for start-up and capacity building grants for withdrawal management. \$500,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are for grants, and \$141,000 in fiscal year 2024 and \$492,000 in fiscal year 2025 are for administration. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(g) Recovery community organization grants. \$6,000,000 in fiscal year 2025 is for

grants to recovery community organizations, as defined in Minnesota Statutes, section 254B.01, subdivision 8, to provide for costs and community-based peer recovery support services that are not otherwise eligible for reimbursement under Minnesota Statutes, section 254B.05, as part of the continuum of care for substance use disorders. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(h) **Naloxone grants.** \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for naloxone grants under Minnesota Statutes, section

(i) **Problem gambling.** \$225,000 in fiscal year 2024 and \$225,000 in fiscal year 2025 are from the lottery prize fund for a grant to a state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, training for individuals and organizations that provide effective treatment services to problem gamblers and their families, and research related to problem gambling.

(j) **Project ECHO at Hennepin Health Care.** \$1,228,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for Project ECHO grants under Minnesota Statutes, section 254B.30, subdivision 2.

(k) **White Earth Nation substance use disorder digital therapy tool.** \$4,000,000 in fiscal year 2024 is appropriated from the general fund for a grant to the White Earth Nation to develop an individualized Native-American-centric digital therapy tool with Pathfinder Solutions. The grant must be used to:

(1) develop a mobile application that is culturally tailored to connecting substance

use disorder resources with White Earth Nation members;

(2) convene a planning circle with White Earth Nation members to design the tool;

(3) provide and expand White Earth Nation-specific substance use disorder services; and

(4) partner with an academic research institution to evaluate the efficacy of the program.

(l) **Wellness in the Woods.** \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for a grant to Wellness in the Woods to provide daily peer support for individuals who are in recovery, are transitioning out of incarceration, or have experienced trauma. This paragraph does not expire.

(m) **Base level adjustment.** The general fund base is \$5,847,000 in fiscal year 2026 and \$5,847,000 in fiscal year 2027.

Subd. 17. Direct Care and Treatment - Transfer Authority

Money appropriated under subdivisions 18 to 22 may be transferred between budget activities and between years of the biennium with the approval of the commissioner of management and budget.

Subd. 18. Direct Care and Treatment - Mental Health and Substance Abuse

169,962,000 177,152,000

Subd. 19. Direct Care and Treatment - Community-Based Services

21,223,000 22,280,000

Subd. 20. Direct Care and Treatment - Forensic Services

141,020,000 148,513,000

Subd. 21. Direct Care and Treatment - Sex Offender Program

115,920,000 121,726,000

Subd. 22. Direct Care and Treatment - Operations

72,912,000 87,570,000

The general fund base is \$80,222,000 in fiscal year 2026 and \$81,142,000 in fiscal year 2027.

Sec. 3. <u>COUNCIL ON DISABILITY</u>	\$	<u>2,856,000</u>	\$	<u>3,323,000</u>
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Sec. 4. <u>OFFICE OF THE OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES</u>	\$	<u>3,700,000</u>	\$	<u>4,017,000</u>
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Base level adjustment. The general fund base is \$3,917,000 in fiscal year 2026 and \$3,917,000 in fiscal year 2027.

Sec. 5. <u>COMMISSIONER OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	\$	<u>3,924,000</u>	\$	<u>76,000</u>
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\$3,800,000 in fiscal year 2024 is for development and implementation of an awareness-building campaign for the recruitment of direct care professionals, and \$124,000 in fiscal year 2024 and \$76,000 in fiscal year 2025 are for administration. This is a onetime appropriation and is available until June 30, 2025.

Sec. 6. <u>COMMISSIONER OF MANAGEMENT AND BUDGET</u>	\$	<u>900,000</u>	\$	<u>900,000</u>
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Sec. 7. Laws 2021, First Special Session chapter 7, article 16, section 28, as amended by Laws 2022, chapter 40, section 1, is amended to read:

Sec. 28. CONTINGENT APPROPRIATIONS.

Any appropriation in this act for a purpose included in Minnesota's initial state spending plan as described in guidance issued by the Centers for Medicare and Medicaid Services for implementation of section 9817 of the federal American Rescue Plan Act of 2021 is contingent upon the initial approval of that purpose by the Centers for Medicare and Medicaid Services, except for the rate increases specified in article 11, sections 12 and 19. This section expires June 30, 2024.

Sec. 8. DIRECT CARE AND TREATMENT FISCAL YEAR 2023 APPROPRIATION.

\$4,829,000 is appropriated in fiscal year 2023 to the commissioner of human services for direct care and treatment programs. This is a onetime appropriation.

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

Sec. 9. APPROPRIATION ENACTED MORE THAN ONCE.

If an appropriation is enacted more than once in the 2023 legislative session, the appropriation must be given effect only once.

Sec. 10. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit.

Sec. 11. **EFFECTIVE DATE.**

This article is effective July 1, 2023, unless a different effective date is specified."

Delete the title and insert:

"A bill for an act relating to human services; establishing a funding mechanism for a long-term care access fund in the state treasury; establishing an office of addiction and recovery; establishing the Minnesota board of recovery services; establishing title protection for sober homes; modifying provisions governing disability services, aging services, and behavioral health; modifying medical assistance eligibility requirements for certain populations; making technical and conforming changes; establishing certain grants; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 4.046, subdivisions 6, 7, by adding a subdivision; 16A.151, subdivision 2; 16A.152, subdivisions 1b, 2; 151.065, subdivision 7; 179A.54, by adding a subdivision; 241.021, subdivision 1; 241.31, subdivision 5; 241.415; 245.945; 245A.03, subdivision 7; 245A.11, subdivisions 7, 7a; 245G.01, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, 4, by adding subdivisions; 245G.08, subdivision 3; 245G.09, subdivision 3; 245G.22, subdivision 15; 245I.10, subdivision 6; 246.54, subdivisions 1a, 1b; 252.27, subdivision 2a; 254B.01, subdivision 8, by adding subdivisions; 254B.04, by adding a subdivision; 254B.05, subdivisions 1, 5; 256.043, subdivisions 3, 3a; 256.9754; 256B.04, by adding a subdivision; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0625, subdivisions 17, 17a, 22, by adding a subdivision; 256B.0638, subdivisions 2, 4, 5; 256B.0659, subdivisions 1, 12, 19, 24; 256B.073, subdivision 3, by adding a subdivision; 256B.0759, subdivision 2; 256B.0911, subdivision 13; 256B.0913, subdivisions 4, 5; 256B.0917, subdivision 1b; 256B.0922, subdivision 1; 256B.0949, subdivision 15; 256B.14, subdivision 2; 256B.434, by adding a subdivision; 256B.49, subdivisions 11, 28; 256B.4905, subdivision 5a; 256B.4911, by adding a subdivision; 256B.4912, by adding subdivisions; 256B.4914, subdivisions 3, as amended, 4, 5, 5a, 5b, 5c, 5d, 5e, 8, 9, 10, 10a, 10c, 12, 14, by adding a subdivision; 256B.492; 256B.5012, by adding subdivisions; 256B.766; 256B.85, subdivision 7, by adding a subdivision; 256B.851, subdivisions 5, 6; 256I.05, by adding subdivisions; 256M.42; 256R.02, subdivision 19; 256R.17, subdivision 2; 256R.25; 256R.47; 256R.481; 256R.53, by adding subdivisions; 256S.15, subdivision 2; 256S.18, by adding a subdivision; 256S.19, subdivision 3; 256S.203, subdivisions 1, 2; 256S.205, subdivisions 3, 5; 256S.21; 256S.2101, subdivisions 1, 2, by adding subdivisions; 256S.211, by adding subdivisions; 256S.212; 256S.213; 256S.214; 256S.215, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; 289A.20, subdivision 4; 289A.60, subdivision 15; Laws 2019, chapter 63, article 3, section 1, as amended; Laws 2021, First Special Session chapter 7, article 16, section 28, as amended; article 17, sections 16; 20; proposing coding for new law in Minnesota Statutes, chapters 16A; 121A; 245; 245D; 254B; 256; 256I; 256S; 325F; repealing Minnesota Statutes 2022, sections 245G.05, subdivision 2; 246.18, subdivisions 2, 2a; 256B.0638, subdivisions 1, 2, 3, 4, 5, 6; 256B.0759, subdivision 6; 256B.0917, subdivisions 1a, 6, 7a, 13; 256B.4914, subdivision 9a; 256S.19, subdivision 4."

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

Senator Dziedzic, from the Committee on Rules and Administration, to which was referred

H.F. No. 1486 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1486	1862				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1486 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1486, the first engrossment; and insert the language after the enacting clause of S.F. No. 1862, the first engrossment; further, delete the title of H.F. No. 1486, the first engrossment; and insert the title of S.F. No. 1862, the first engrossment.

And when so amended H.F. No. 1486 will be identical to S.F. No. 1862, and further recommends that H.F. No. 1486 be given its second reading and substituted for S.F. No. 1862, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Dziedzic, from the Committee on Rules and Administration, to which was referred

H.F. No. 1581 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1581	1497				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1258, 30, 3, and 63 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 62, 1486, and 1581 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Howe introduced--

S.F. No. 3229: A bill for an act relating to taxation; property; solar energy generating systems; classification of real property; amending Minnesota Statutes 2022, section 272.02, subdivision 24.

Referred to the Committee on Taxes.

Senator Westlin introduced--

S.F. No. 3230: A bill for an act relating to elections; requiring major party candidates to be certified by a major party before being placed on the ballot; amending ballot placement requirements; amending petition requirements; amending Minnesota Statutes 2022, sections 204B.03; 204B.071; 204B.10, by adding a subdivision; 204D.07, subdivision 1; 204D.08, subdivision 3; 204D.12; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections.

Senator Howe introduced--

S.F. No. 3231: A bill for an act relating to capital investment; appropriating money for rehabilitation of publicly owned infrastructure in the city of Rockville; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Pappas, Johnson, Port, Kunesh, and Koran introduced--

S.F. No. 3232: A bill for an act relating to capital investment; appropriating money for a cooperative manufactured housing infrastructure grant program; authorizing the sale and issuance of state bonds; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Capital Investment.

Senator Dibble introduced--

S.F. No. 3233: A bill for an act relating to metropolitan government; providing for additional financing of metropolitan area transit capital expenditures; authorizing the issuance of certain obligations; amending Minnesota Statutes 2022, section 473.39, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Howe introduced--

S.F. No. 3234: A bill for an act relating to taxation; property; authorizing property tax exemption for certain property owned by Independent School District No. 745, Albany; appropriating money.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Kunesch moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 664. The motion prevailed.

Senator Hoffman moved that the name of Senator Gustafson be added as a co-author to S.F. No. 758. The motion prevailed.

Senator Boldon moved that the name of Senator Gustafson be added as a co-author to S.F. No. 993. The motion prevailed.

Senator McEwen moved that the name of Senator Mann be added as a co-author to S.F. No. 1384. The motion prevailed.

Senator McEwen moved that the name of Senator Gustafson be added as a co-author to S.F. No. 1416. The motion prevailed.

Senator Nelson moved that the name of Senator Hauschild be added as a co-author to S.F. No. 2852. The motion prevailed.

Senator Bahr moved that the names of Senators Hoffman and Gustafson be added as co-authors to S.F. No. 3037. The motion prevailed.

Senator Gustafson moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 3068. The motion prevailed.

Senator Dibble moved that the name of Senator Dziedzic be added as a co-author to S.F. No. 3225. The motion prevailed.

Senator Dibble moved that the name of Senator Boldon be added as a co-author to S.F. No. 3226. The motion prevailed.

Senator Seeberger moved that S.F. No. 910 be withdrawn from the Committee on Jobs and Economic Development and re-referred to the Committee on Capital Investment. The motion prevailed.

Senator Murphy moved that H.F. No. 1278 be taken from the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Fateh	Hawj	Kunesch
Boldon	Dornink	Frentz	Hoffman	Kupec
Carlson	Draheim	Green	Howe	Latz
Champion	Drazkowski	Gruenhagen	Klein	Lieske
Cwodzinski	Eichorn	Gustafson	Koran	Limmer
Dahms	Farnsworth	Hauschild	Kreun	Mann

Marty	Morrison	Pha	Rest	Westrom
Mathews	Murphy	Port	Seeberger	Wiklund
Maye Quade	Nelson	Putnam	Utke	Xiong
Miller	Oumou Verbeten	Rarick	Wesenberg	
Mohamed	Pappas	Rasmusson	Westlin	

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

The motion prevailed.

H.F. No. 1278: A bill for an act relating to public safety; appropriating money for the disaster assistance contingency account.

Senator Murphy moved that H.F. No. 1278 be referred to the Committee on Finance.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 42 and nays 11, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Kreun	Mohamed	Rest
Boldon	Fatch	Kunesh	Morrison	Seeberger
Carlson	Frentz	Kupec	Murphy	Westlin
Champion	Gruenhagen	Latz	Nelson	Westrom
Cwodzinski	Gustafson	Limmer	Oumou Verbeten	Wiklund
Dahms	Hauschild	Mann	Pappas	Xiong
Dibble	Hawj	Marty	Pha	
Dornink	Hoffman	Maye Quade	Port	
Draheim	Klein	Miller	Putnam	

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

Those who voted in the negative were:

Anderson	Green	Mathews	Utke
Bahr	Howe	Rarick	Wesenberg
Drazkowski	Lieske	Rasmusson	

The motion prevailed.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 1656.

SPECIAL ORDER

H.F. No. 1656: A bill for an act relating to energy; establishing grant programs to enhance the competitiveness of Minnesota entities in obtaining federal money for energy projects; creating an

account; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

Senator Frenz moved that the amendment made to H.F. No. 1656 by the Committee on Rules and Administration in the report adopted March 30, 2023, pursuant to Rule 45, be stricken.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 37 and nays 21, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Miller	Westrom
Bahr	Eichorn	Koran	Rarick	
Dahms	Farnsworth	Kreun	Rasmusson	
Dornink	Green	Lieske	Utke	
Draheim	Gruenhagen	Mathews	Wesenberg	

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

The motion prevailed. So the amendment was stricken.

Senator Gruenhagen moved to amend H.F. No. 1656 as follows:

Page 6, after line 12, insert:

"Sec. 3. ASSESSMENT OF ELECTRICAL GRID'S RESILIENCE AGAINST ELECTROMAGNETIC PULSES.

By February 1, 2024, the commissioner of commerce must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over energy on the state electrical grid's ability to withstand electromagnetic pulses resulting either from an intentional electromagnetic pulse attack or from a naturally occurring geomagnetic disturbance resulting from severe space weather. The assessment must include an analysis of the grid's ability to withstand an electromagnetic pulse and must identify resources needed to enhance grid resiliency."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Drazkowski	Howe	Mathews	Utke
Bahr	Eichorn	Koran	Miller	Wesenberg
Dahms	Farnsworth	Kreun	Nelson	Westrom
Dornink	Green	Lieske	Rarick	
Draheim	Gruenhagen	Limmer	Rasmusson	

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

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodziński	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Mitchell.

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

Senator Rarick moved to amend H.F. No. 1656 as follows:

Page 2, delete line 31

Page 3, line 1, delete "(2)" and insert "(1)"

Page 3, line 3, delete "(3)" and insert "(2)"

Page 3, line 4, delete everything before "that" and insert "or a business"

Page 3, line 5, delete "(4)" and insert "(3)"

Page 3, after line 5, insert:

"(4) federal formula funds directed to the state that require a match;

(5) federal funds directed to a nonprofit organization that require a match;"

Page 3, line 6, delete "(5)" and insert "(6)" and delete "(4)" and insert "(5)"

Page 3, line 8, delete "(6)" and insert "(7)"

Page 3, line 26, delete "clauses (1) to (3)" and insert "clause (1), (2), (4), or (5)"

Page 3, line 28, delete "(4) and (5)" and insert "(3) and (6)"

Page 4, line 1, delete "(6)" and insert "(7)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Mathews	Utke
Anderson	Drazkowski	Koran	Miller	Wesenberg
Bahr	Farnsworth	Kreun	Nelson	Westrom
Dahms	Green	Lieske	Rarick	
Dornink	Gruenhagen	Limmer	Rasmusson	

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Mitchell.

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

Senator Rarick moved to amend H.F. No. 1656 as follows:

Page 3, after line 15, insert:

"(c) At least 30 percent of the grant money awarded under this section must be awarded to institutions of higher education, consumer-owned utilities, and businesses; at least 15 percent of the grant money awarded under this section must be awarded to investor-owned utilities; and at least 20 percent of the grant money awarded under this section must be awarded to political subdivisions or a Tribal governments. The grant priorities set forth in paragraph (a) must be followed only to the extent that they can be followed while satisfying the requirements of this paragraph."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Mathews	Utke
Anderson	Drazkowski	Koran	Miller	Wesenberg
Bahr	Farnsworth	Kreun	Nelson	Westrom
Dahms	Green	Lieske	Rarick	
Dornink	Gruenhagen	Limmer	Rasmusson	

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Mitchell.

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

Senator Rarick moved to amend H.F. No. 1656 as follows:

Page 4, line 19, after the period, insert "The commissioner must not award a grant or reserve funds under this section until 90 days after this section becomes effective."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Lucero	Rasmusson
Anderson	Drazkowski	Koran	Mathews	Utke
Bahr	Farnsworth	Kreun	Miller	Wesenberg
Dahms	Green	Lieske	Nelson	Westrom
Dornink	Gruenhagen	Limmer	Rarick	

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Mitchell.

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

Senator Nelson moved to amend H.F. No. 1656 as follows:

Page 3, line 19, after "include" insert "but are not limited to" and delete "the West Central"

Page 3, line 20, delete "Initiative Foundation" and insert "Minnesota initiative foundations"

Senator Nelson requested division of her amendment as follows:

First portion:

Page 3, line 19, delete "the West Central"

Page 3, line 20, delete "Initiative Foundation" and insert "Minnesota initiative foundations"

The question was taken on the adoption of the first portion of the Nelson amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Eichorn	Jasinski	Lucero	Weber
Bahr	Farnsworth	Johnson	Mathews	Wesenberg
Dahms	Green	Koran	Miller	Westrom
Dornink	Gruenhagen	Kreun	Nelson	
Draheim	Housley	Lieske	Rarick	

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

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rasmusson
Champion	Hauschild	Mann	Murphy	Rest
Cwodzinski	Hawj	Marty	Oumou Verbeten	Seeberger
Dibble	Hoffman	Maye Quade	Pappas	Westlin
Dziedzic	Klein	McEwen	Pha	Wiklund
Fateh	Kunesh	Mitchell	Port	Xiong

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Mitchell.

The motion did not prevail. So the first portion of the amendment was not adopted.

Second portion:

Page 3, line 19, after "include" insert "but are not limited to"

The question was taken on the adoption of the second portion of the Nelson amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Eichorn	Jasinski	Lucero	Weber
Bahr	Farnsworth	Johnson	Mathews	Wesenberg
Dahms	Green	Koran	Miller	Westrom
Dornink	Gruenhagen	Kreun	Nelson	
Draheim	Housley	Lieske	Rarick	

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

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rasmusson
Champion	Hauschild	Mann	Murphy	Rest
Cwodzinski	Hawj	Marty	Oumou Verbeten	Seeberger
Dibble	Hoffman	Maye Quade	Pappas	Westlin
Dziedzic	Klein	McEwen	Pha	Wiklund
Fateh	Kunesh	Mitchell	Port	Xiong

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Mitchell.

The motion did not prevail. So the second portion of the amendment was not adopted.

Senator Drazkowski moved to amend H.F. No. 1656 as follows:

Page 3, line 32, delete "may" and insert "shall"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Eichorn	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Dahms	Green	Koran	Miller	Wesenberg
Dornink	Gruenhagen	Kreun	Nelson	Westrom
Draheim	Housley	Lieske	Rarick	

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Mitchell.

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

H.F. No. 1656 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 39 and nays 22, as follows:

Those who voted in the affirmative were:

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

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

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

Those who voted in the negative were:

Anderson	Drazkowski	Jasinski	Mathews	Wesenberg
Bahr	Eichorn	Koran	Rarick	Westrom
Dahms	Farnsworth	Lieske	Rasmusson	
Dornink	Green	Limmer	Utke	
Draheim	Gruenhagen	Lucero	Weber	

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senators Coleman, Duckworth, and Pratt were excused from the Session of today. Senator Lucero was excused from the Session of today from 12:00 noon to 12:45 p.m. Senator Lang was excused from the Session of today at 12:15 p.m. Senators Housley, Jasinski, Johnson, and Weber were excused from the Session of today from 12:15 to 1:00 p.m.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 12, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

