

STATE OF MINNESOTA

Journal of the House

NINETY-SECOND SESSION — 2022

EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 30, 2022

The House of Representatives convened at 12:10 p.m. and was called to order by Dan Wolgamott, Speaker pro tempore.

Prayer was offered by Deacon Krista Lind, Assistant to the Bishop, Saint Paul Area Synod, Evangelical Lutheran Church in America, St. Paul, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davids	Hamilton	Koznick	Murphy	Robbins
Agbaje	Davnie	Hansen, R.	Kresha	Nash	Sandell
Akland	Demuth	Hanson, J.	Lee	Nelson, M.	Sandstede
Albright	Dettmer	Hassan	Liebling	Nelson, N.	Schomacker
Anderson	Drazkowski	Hausman	Lillie	Neu Brindley	Schultz
Backer	Ecklund	Heinrich	Lippert	Noor	Scott
Bahner	Edelson	Heintzeman	Lislegard	Novotny	Stephenson
Bahr	Elkins	Her	Long	O'Driscoll	Sundin
Baker	Erickson	Hertaus	Lucero	Olson, B.	Swedzinski
Becker-Finn	Feist	Hollins	Lueck	Olson, L.	Theis
Bennett	Fischer	Hornstein	Mariani	O'Neill	Thompson
Berg	Franke	Howard	Marquart	Pelowski	Torkelson
Bernardy	Franson	Huot	Masin	Petersburg	Urdahl
Bierman	Frazier	Igo	McDonald	Pfarr	Vang
Bliss	Frederick	Johnson	Mekeland	Pinto	Wazlawik
Boe	Freiberg	Jordan	Miller	Poston	West
Boldon	Garofalo	Jurgens	Moller	Pryor	Winkler
Burkel	Gomez	Keeler	Moran	Quam	Wolgamott
Carlson	Green	Kiel	Morrison	Raleigh	Xiong, J.
Christensen	Greenman	Klevorn	Mortensen	Rasmusson	Xiong, T.
Daniels	Grossell	Koegel	Mueller	Reyer	Youakim
Daudt	Haley	Kotyza-Witthuhn	Munson	Richardson	Spk. Hortman

A quorum was present.

Gruenhagen was excused.

The Chief Clerk proceeded to read the Journals of the preceding days. There being no objection, further reading of the Journals was dispensed with and the Journals were approved as corrected by the Chief Clerk.

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REPORTS OF STANDING COMMITTEES AND DIVISIONS

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 633, A bill for an act relating to insurance; requiring individual and small group health plan offerings to include a predeductible, flat co-pay on prescription drug option; amending Minnesota Statutes 2020, section 62Q.81, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, before "applies" insert "that the health plan offers."

Page 1, line 16, before "applies" insert "that the health plan offers."

Page 2, after line 9, insert:

"(g) Neither a health plan company nor a pharmacy benefit manager, as defined in section 62W.02, subdivision 15, shall delay or divide payment to a pharmacy or pharmacy provider, as defined in section 62W.02, subdivision 14, because of the co-payment structure of a health plan offered pursuant to this subdivision."

Page 2, line 10, delete "(g)" and insert "(h)"

Page 2, line 12, delete "2022" and insert "2024"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Sundin from the Committee on Agriculture Finance and Policy to which was referred:

H. F. No. 766, A bill for an act relating to agriculture; requiring additional seed label information; prohibiting certain seed uses; requiring product stewardship for corn and soybean seed coated or treated with neonicotinoid pesticide; amending Minnesota Statutes 2020, sections 21.82, subdivisions 3, 6; 21.86, subdivision 2; 21.89, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 21.81, is amended by adding a subdivision to read:

Subd. 5a. **Coated agricultural seed.** "Coated agricultural seed" means any seed unit covered with a coating material.

Sec. 2. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

Subd. 2. **Miscellaneous violations.** No person may:

(a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;

- (b) hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;
- (c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;
- (d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;
- (e) use the word "trace" as a substitute for any statement which is required;
- (f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed; ~~or~~
- (g) advertise or sell seed containing patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety of seed; ~~or~~
- (h) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid pesticide.

Sec. 3. **[21.915] PESTICIDE-TREATED SEED USE AND DISPOSAL; CONSUMER GUIDANCE REQUIRED.**

- (a) The commissioner, in consultation with the commissioner of the Pollution Control Agency, must develop and maintain consumer guidance regarding the proper use and disposal of seed treated with neonicotinoid pesticide.
- (b) A person selling seed treated with neonicotinoid pesticide at retail must post in a conspicuous location the guidance developed by the commissioner under paragraph (a).

Sec. 4. **[115A.993] PROHIBITED DISPOSAL METHODS.**

A person must not dispose of seed treated with neonicotinoid pesticide in a manner inconsistent with the product label, where applicable, or by:

- (1) burial near a drinking water source or any creek, stream, river, lake, or other surface water;
- (2) composting; or
- (3) incinerating within a home or other dwelling.

Sec. 5. **RULEMAKING REQUIRED.**

The commissioner of the Pollution Control Agency, in consultation with the commissioner of agriculture and the University of Minnesota, must adopt rules under Minnesota Statutes, chapter 14, providing for the safe and lawful disposal of unwanted or unused seed treated with neonicotinoid pesticide. The rules must clearly identify the regulatory jurisdiction of state agencies and local governments with regard to such seed.

Sec. 6. **APPROPRIATION.**

Subdivision 1. Consumer guidance. \$100,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of agriculture to develop and publicize the consumer guidance required under this act. This is a onetime appropriation and available until June 30, 2025.

Subd. 2. **Rulemaking.** \$175,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of the Pollution Control Agency for the rulemaking required under this act. This is a onetime appropriation and available until June 30, 2024."

Delete the title and insert:

"A bill for an act relating to agriculture; defining coated seed; prohibiting certain seed sales and uses; regulating disposal of certain seeds; requiring consumer guidance; requiring rulemaking; appropriating money; amending Minnesota Statutes 2020, sections 21.81, by adding a subdivision; 21.86, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 21; 115A."

With the recommendation that when so amended the bill be re-referred to the Committee on Environment and Natural Resources Finance and Policy.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 778, A bill for an act relating to gambling; authorizing and providing for sports betting; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting; providing civil and criminal penalties; providing for amateur sports grants; requiring reports; amending Minnesota Statutes 2020, sections 290.0131, by adding a subdivision; 290.0132, by adding a subdivision; 290.0133, by adding a subdivision; 290.0134, by adding a subdivision; 609.75, subdivision 3, by adding a subdivision; 609.755; 609.76, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
LAWFUL SPORTS BETTING

Section 1. **[299L.10] DEFINITIONS.**

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

Subd. 2. **Athletic event.** "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the athletic skill of one or more players or participants. Athletic event does not include any of the following:

(1) horse racing as defined in section 240.01, subdivision 8;

(2) an esports or athletic competition, demonstration, activity, or tournament organized by an elementary, middle, or high school, or by any youth activity sports program, league, or clinic; or

(3) a fantasy sports contest in which participants assemble teams of athletes or individuals and the winning outcome reflects the relative knowledge and skill of the participants and is determined predominantly by the accumulated statistical results of the performance of athletes or individuals in an actual event.

Subd. 3. **Authorized participant.** "Authorized participant" means an individual who has a valid mobile sports betting account with a mobile betting operator and is at least 21 years of age.

Subd. 4. **Casino.** "Casino" means an establishment in which gaming is lawfully conducted by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.

Subd. 5. **Class III gaming.** "Class III gaming" has the meaning given in United States Code, title 25, section 2703.

Subd. 6. **College sports.** "College sports" means a sporting event in which at least one participant is a team or individual from a public or private institution of higher education.

Subd. 7. **Compact.** "Compact" means a Tribal-state compact governing the conduct of Class III gaming on Indian Lands that is negotiated under section 3.9221, any other state law, or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it.

Subd. 8. **Esports event.** "Esports event" means a competition between individuals or teams using video games in a game, match, contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online that meets the following conditions:

(1) the video game does not simulate the play of a game classified as Class I, II, or III under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it;

(2) spectators are allowed to watch the competition in real time in person or online; and

(3) the video game is approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Subd. 9. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes and any instrumentality, political subdivision, legal entity, or other organization through which any of them conducts business:

(1) the Fond du Lac Band;

(2) the Grand Portage Band;

(3) the Mille Lacs Band;

(4) the White Earth Band;

(5) the Bois Forte Band;

(6) the Leech Lake Band;

(7) the Red Lake Nation;

(8) the Upper Sioux Community;

(9) the Lower Sioux Indian Community;

(10) the Shakopee Mdewakanton Sioux Community; and

(11) the Prairie Island Indian Community.

Subd. 10. In-game betting. "In-game betting" means placing a mobile sports betting wager after a sporting event has started but before the outcome of the wager is determined.

Subd. 11. Mobile application. "Mobile application" means an application on a mobile phone or other device through which an individual is able to place an internet sports betting wager.

Subd. 12. Mobile sports betting. "Mobile sports betting" means operating, conducting, or offering for play sports betting through the Internet.

Subd. 13. Mobile sports betting account. "Mobile sports betting account" means an electronic ledger in which all of the following types of transactions relative to an authorized participant are recorded:

(1) deposits and credits;

(2) withdrawals;

(3) mobile sports betting wagers;

(4) monetary value of winnings;

(5) service or other transaction related charges authorized by the authorized participant, if any;

(6) adjustments to the account;

(7) promotional activity; and

(8) responsible gaming parameters.

Subd. 14. Mobile sports betting master licensee. "Mobile sports betting master licensee" means an entity comprised of Indian Tribes located in Minnesota that is licensed pursuant to a master sports betting license and enters into operational agreements with mobile sports betting operators that operate, conduct, or offer mobile sports betting.

Subd. 15. Mobile sports betting operator. "Mobile sports betting operator" means an Indian Tribe or entity comprised of multiple Indian Tribes that receives a license from the commissioner to operate, conduct, or offer for play mobile sports betting under sections 299L.10 to 299L.80.

Subd. 16. Mobile sports betting platform. "Mobile sports betting platform" means an integrated system of hardware, software, or applications, including mobile applications and servers, through which a mobile sports betting operator operates, conducts, or offers sports betting through the Internet.

Subd. 17. Mobile sports betting platform provider. "Mobile sports betting platform provider" means a sports betting supplier that contracts with a mobile sports betting operator to provide a mobile sports betting platform.

Subd. 18. Participant in a sporting event. "Participant in a sporting event" means a person engaging in a sporting event as a player, coach, or official, or who is an owner or officer of a team engaging in a sporting event or the league or organization organizing the sporting event.

Subd. 19. **Sporting event.** "Sporting event" means an athletic event, esports event, college sports event, or other event approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Subd. 20. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a sporting event or portions thereof or individual performance statistics therein that is:

(1) organized by a professional sports organization, internationally recognized sports organization, amateur sports organization, or a postsecondary educational institution or group of postsecondary educational institutions; and

(2) approved by the commissioner to be an event eligible for wagering under this act.

(b) Sports betting includes, but is not limited to single-game bets; futures bets; teaser bets; parlay bets; over-under bets; money line bets; in-game betting; proposition bets; straight bets; exchange wagering; futures bets placed on end of the season standings, awards, or statistics; and any other bets approved by the commissioner.

(c) A contract for insurance on the life or health of a participant in a sporting event is not sports betting for purposes of this chapter.

(d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not sports betting regulated under sections 299L.10 to 299L.80.

Subd. 21. **Sports betting supplier.** "Sports betting supplier" means a person that, either directly or indirectly, provides mobile sports betting operators with services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers, including a person who provides data feeds and odds services, risk management providers, and integrity monitoring providers. Sports betting supplier does not include a sports governing body that provides raw statistical match data.

Subd. 22. **Wager.** "Wager" means a transaction between an individual and a licensed mobile sports betting operator in which an individual pays, deposits, or risks cash or a cash equivalent during sports betting on an uncertain outcome of a sporting event.

Sec. 2. [299L.11] SCOPE.

Subdivision 1. **Lawful mobile sports betting.** A person 21 years of age or older may participate in mobile sports betting within the state provided the person places all wagers with an entity licensed under sections 299L.10 to 299L.80 and is not disqualified, prohibited, or excluded from placing a wager on a sporting event.

Subd. 2. **Unlawful sports betting.** It is unlawful to wager on a sporting event, or engage in sports betting except in compliance with the terms, conditions, limitations, and restrictions of sections 299L.10 to 299L.80 or the rules adopted under those sections, other than Class III sports betting conducted by an Indian Tribe pursuant to a Tribal-state compact.

Subd. 3. **Inapplicability to sports betting on Indian Lands.** Sections 299L.10 to 299L.80, except for any provisions authorizing the negotiations of Tribal-state compacts, do not apply to sports betting conducted exclusively on Indian Lands by an Indian Tribe conducted pursuant to a Tribal gaming ordinance approved by the National Indian Gaming Commission and a Tribal-state compact.

Sec. 3. **[299L.15] POWERS AND DUTIES OF COMMISSIONER.**

Subdivision 1. **Regulate sports betting.** The commissioner has the power and duty to regulate mobile sports betting authorized under sections 299L.10 to 299L.80. In making rules, establishing policy, and regulating mobile sports betting, the commissioner shall:

- (1) ensure that mobile sports betting is conducted in a fair and lawful manner;
- (2) promote public safety and welfare; and
- (3) ensure that mobile sports betting is conducted in a manner that is transparent to authorized participants.

Subd. 2. **Rulemaking.** (a) The commissioner must adopt and enforce rules that are consistent with sections 299L.10 to 299L.80 and address the following subjects:

- (1) the manner in which wagers are accepted and payouts are remitted;
- (2) the manner in which betting lines are communicated to the public;
- (3) the calculation of gross sports betting revenue and standards for daily counting and recording of cash and cash equivalents received in the conduct of sports betting;
- (4) the method of accounting to be used by mobile sports betting operators;
- (5) the types of records that shall be kept by master mobile sports betting licensees, mobile sports betting operators, mobile sports betting platform providers and service providers, and sports betting suppliers;
- (6) the testing and auditing requirements for licensees, including requirements related to mobile sports betting accounts;
- (7) the creation, funding, and use of mobile sports betting accounts, debit cards, and checks by authorized participants provided that the rules permit an authorized participant to fund a mobile sports betting account through a bonus or promotion, electronic bank transfer, an online or mobile payment system that supports online money transfers, a reloadable or prepaid card, and any other appropriate means approved by the commissioner other than the use of credit cards;
- (8) the appropriate standards and practices to prevent and address compulsive and problem gambling;
- (9) the appropriate standards and practices to prevent and address sports betting by individuals who are not authorized participants or who are otherwise disqualified, prohibited, or excluded from placing a wager on a sporting event;
- (10) the sporting events on which wagers are authorized to be placed;
- (11) the requirements for obtaining and retaining master mobile sports betting licenses, mobile sports betting operator licenses, mobile sports betting platform provider and service provider licenses, and sports wagering supplier licenses, including requirements for criminal and financial background checks, financial disclosure and auditing requirements, data practices and security requirements, bonding or other surety requirements, and the conduct of inspections;

(12) the requirements for mobile sports betting platform provider and service provider licensees to provide equipment and supplies used in sports betting;

(13) the requirements for sports wagering supplier licensees to provide services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers; and

(14) the requirements for employees of master mobile sports betting licensees and mobile sports betting operators whose exclusive or primary responsibilities involve mobile sports betting, including minimum age requirements, criminal background checks, and retention of documents related to the employees.

(b) Rules for which notice is published in the State Register before January 1, 2023, may be adopted using the expedited rulemaking process in section 14.389.

Subd. 3. **Delegation.** The commissioner may delegate any of its authority under this chapter to the director if, in the judgment of the commissioner, doing so would promote the efficient administration of this chapter.

Subd. 4. **Requests for restrictions on wager types.** (a) A sports governing body may request that the commissioner prohibit wagers on a particular sporting event, or prohibit or restrict particular types of wagers.

(b) Requests from a sports governing body shall be made in the form and manner established by the commissioner.

(c) Upon receipt of a request made under this subdivision, the commissioner shall send written notice to every mobile sports betting operator, provide mobile sports betting operators with an opportunity to respond to the request, and consider any timely response submitted by a mobile sports betting operator. The commissioner may not take action without providing mobile sports betting operators with an opportunity to respond, but may establish reasonable deadlines for the response based on the nature of the request and any exigent circumstances that exist.

(d) If the commissioner determines that the sports governing body has shown good cause to support the requested prohibition or restriction, the commissioner shall adopt the prohibition or restriction and send notice of the prohibition or restriction to every mobile sports betting operator. If the commissioner determines that the sports governing body has not shown good cause to support the requested prohibition or restriction, the commissioner shall provide the sports governing body with notice and an opportunity for a hearing to offer further evidence in support of its request. The commissioner shall provide the master mobile sports betting licensees and mobile sports betting operators with notice of the hearing and an opportunity to participate.

Sec. 4. **[299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.**

(a) The commissioner shall issue the following licenses for mobile sports betting:

(1) two master mobile sports betting licenses;

(2) up to 11 mobile sports betting operator licenses;

(3) mobile sports betting platform provider and service provider licenses; and

(4) sports betting supplier licenses.

(b) Licenses issued under sections 299L.10 to 299L.80 may not be transferred.

Sec. 5. **[299L.25] GENERAL LICENSING REQUIREMENTS; DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS.**

Subdivision 1. General requirements. (a) A licensee or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under sections 299L.10 to 299L.80:

- (1) have completed an application for licensure or application for renewal;
- (2) have paid the applicable application and licensing fees;
- (3) not be employed by any state agency with regulatory authority over mobile sports betting;
- (4) not owe \$500 or more in delinquent taxes, as defined in section 270C.72;
- (5) not have had a sales and use tax permit revoked by the commissioner of revenue within the past two years; and
- (6) not have, after demand, failed to file tax returns required by the commissioner of revenue.

(b) The requirements under paragraph (a) apply to the applicant or licensee, or a director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

Subd. 2. Criminal offenses; disqualifications. (a) No person may hold or receive a license issued under sections 299L.10 to 299L.80 if the person has been convicted of, or received a stay of adjudication for, a violation of a state or federal law that:

- (1) is a felony, other than any act that would be a violation of section 152.025 under Minnesota law;
- (2) is a crime involving gambling; or
- (3) is a crime involving theft or fraud that would be a gross misdemeanor or felony under Minnesota law.

(b) The requirements under paragraph (a) apply to the applicant or licensee, or a director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

Subd. 3. Background investigation. The commissioner shall perform a background investigation on applicants for a license or license renewal and on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant. The commissioner may request the director and the commissioner of revenue to assist in investigating the background of an applicant or a licensee under this section. The commissioner may charge an applicant an investigation fee to cover the cost of the investigation and shall from this fee reimburse the Division of Alcohol and Gambling Enforcement and the Department of Revenue for their respective shares of the cost of the investigation. The commissioner is authorized to have access to all data compiled by the Division of Alcohol and Gambling Enforcement on licensees and applicants.

Subd. 4. Criminal history record check. (a) The commissioner must perform a criminal history record check on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant. The records check must include a criminal history check of the state and federal criminal records. The applicant or licensee must provide signed consent for the national and international criminal history records check and fingerprints for each person subject to a check under this subdivision. The director shall assist in performing the criminal history records

check. The director may charge an applicant a fee to cover the cost of the criminal history record check, and shall from this fee reimburse the Division of Alcohol and Gambling Enforcement for its share of the cost of the investigation. The commissioner or the director must submit the signed informed consent, fingerprints, and Bureau of Criminal Apprehension and Federal Bureau of Investigation fees to the superintendent of the Bureau of Criminal Apprehension who is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history data. The superintendent of the Bureau of Criminal Apprehension shall retrieve Minnesota criminal history data and shall provide the results of the state, federal, and international criminal history record check to the director. The commissioner is authorized to have access to all criminal history data compiled on licensees and applicants by the Division of Alcohol and Gambling Enforcement, including criminal history data on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant.

(b) An individual who has submitted to a criminal background check in this or any other state within the previous 12 months shall not be required to submit to another criminal background check provided that the person submits the results of such previous criminal background check and affirms that there has been no material change in the individual's criminal history since the time of the criminal background check.

Sec. 6. [299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL REQUIREMENTS; PROCEDURE.

Subdivision 1. **Application; contents.** An application for a license under sections 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a minimum, the application must include:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with more than ten percent interest in the corporation and any of its holding companies;

(2) the type of license being sought;

(3) if required by the commissioner, the names of any person holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations, whether the interest is financial, administrative, policy making, or supervisory, provided that this provision does not extend to individual Tribal members whose only relation to the applicant is their membership in their respective Tribal Nations;

(4) an affidavit executed by the applicant setting forth that, to the best of the applicant's knowledge, no officer, director, or other person with a present direct or indirect financial or management interest in the applicant:

(i) is in default in the payment of an obligation or debt to the state;

(ii) has ever been convicted of a crime listed in section 299L.25, subdivision 2, paragraph (a), or has a state or federal charge for one of those crimes pending;

(iii) is or has been convicted of engaging in an illegal business;

(iv) has ever been found guilty of fraud or misrepresentation in connection with wagering; or

(v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota relating to wagering;

(5) an irrevocable consent statement, signed by the applicant, which states that suits and actions limited to the enforcement of this chapter may be commenced against the applicant by the commissioner in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commissioner;

(6) a declaration that the laws of the state of Minnesota will be followed, including any applicable provisions of the Minnesota Human Rights Act, chapter 363A; and

(7) any additional information required for the specific license the applicant is seeking.

Subd. 2. Application; process. (a) Applicants must submit all required information to the commissioner on the forms and in the manner prescribed by the commissioner.

(b) If the commissioner receives an application that fails to provide the required information, the commissioner shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) Within 90 days of receiving a completed application, the commissioner shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons why the commissioner did not approve the application.

(e) An applicant whose application is not approved may reapply at any time, but must submit a new application and pay an additional application fee.

Sec. 7. [299L.27] DUTY TO UPDATE.

(a) During the pendency of an application and at any time after a license has been issued, an applicant or licensee shall notify the commissioner of any changes to the information provided under section 299L.25 or 299L.26.

(b) If a change in the officers, directors, shareholders, or other persons with a present or future direct or indirect financial or management interest in a licensee, or a change of ownership of more than ten percent of the shares of the licensee is made after the application for a license is filed or a license is issued, the applicant or licensee must notify the commissioner of the changes within ten days of their occurrence and submit a new affidavit as required by section 299L.26, subdivision 1, clause 4.

Sec. 8. [299L.28] MASTER MOBILE SPORTS BETTING LICENSE.

Subdivision 1. Issuance. (a) The commissioner shall issue two master mobile sports betting licenses that are valid for 20 years as follows:

(1) one master mobile sports betting license to a Tribal entity that may only be comprised of the following Ojibwe Indian Tribes or an entity wholly owned by the Indian Tribe:

(i) the Bois Forte Band;

(ii) the Red Lake Nation;

(iii) the White Earth Band;

(iv) the Grand Portage Band;

(v) the Leech Lake Band;

(vi) the Fond du Lac Band; and

(vii) the Mille Lacs Band; and

(2) one master mobile sports betting license to a Tribal entity that may only be comprised of the following Dakota Indian Tribes or an entity wholly owned by the Indian Tribe:

(i) the Lower Sioux Indian Community;

(ii) the Upper Sioux Community;

(iii) the Shakopee Mdewakanton Sioux Community; and

(iv) the Prairie Island Indian Community.

(b) The commissioner may not issue a master mobile sports betting license under this section unless an operational agreement signed by both the Tribal entities identified in paragraph (a), clauses (1) and (2), has been filed with the commissioner. An operational agreement executed pursuant to this paragraph is not subject to section 13.05, subdivision 6 or 11.

(c) A master mobile sports betting license issued under this subdivision is renewable every 20 years under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** (a) A master mobile sports betting license entitles the licensee to coordinate mobile sports betting in Minnesota and contract through an inter-Tribal compact with a mobile sports betting operator.

(b) A master mobile sports betting licensee licensed under subdivision 1, clause (1), may contract with up to seven mobile sports betting operators. A master sports betting licensee licensed under subdivision 1, clause (2), may contract with up to four mobile sports betting operators.

(c) A master mobile sports betting licensee may contract with a mobile sports betting operator before the mobile sports betting operator is licensed, but may not coordinate or facilitate the acceptance of wagers through an unlicensed mobile sports betting operator.

Subd. 3. **Licensing requirements.** A master mobile sports betting licensee must:

(1) be an organization comprised of two or more Indian Tribes;

(2) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(3) not be disqualified under section 299L.25 or any relevant rules; and

(4) meet any other conditions required by rule adopted pursuant to section 299L.15.

Sec. 9. **[299L.29] MOBILE SPORTS BETTING OPERATOR LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting operator licenses that are valid for one year. A mobile sports betting operator license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A mobile sports betting operator license entitles the licensee to:

(1) contract through an inter-Tribal compact with a master mobile sports betting licensee to operate, conduct, or offer for play mobile sports betting in Minnesota;

(2) contract with licensed mobile sports betting platform providers and service providers to facilitate the acceptance of wagers on behalf of the mobile sports betting operator;

(3) contract with licensed sports betting suppliers; and

(4) perform any other actions approved by the commissioner to ensure that mobile sports betting is conducted in a fair, lawful, and transparent manner.

Subd. 3. **Licensing requirements.** A mobile sports betting operator must:

(1) be an entity wholly owned and controlled by an Indian Tribe or an entity wholly owned and controlled by multiple Indian Tribes;

(2) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(3) submit a detailed plan and specifications for the implementation of mobile sports betting;

(4) include mechanisms on its mobile sports betting platform that are designed to detect and prevent the unauthorized use of internet sports betting accounts and to detect and prevent fraud, money laundering, and collusion, or require a contracted mobile sports betting platform provider to include those mechanisms;

(5) submit a statement of the assets and liabilities of the mobile sports betting operator to the commissioner;

(6) have entered into an inter-Tribal compact with a master mobile sports betting licensee to operate, conduct, or offer for play mobile sports betting in Minnesota;

(7) not be disqualified under section 299L.25 or any relevant rules;

(8) pay an annual licensing fee in the amount of \$2,125; and

(9) meet any other conditions required by rule adopted pursuant to section 299L.15.

Subd. 4. **Reporting.** A mobile sports betting operator must report to the commissioner monthly on wagers placed and redeemed during the reporting month and outstanding at the time of the report.

Sec. 10. **[299L.30] MOBILE SPORTS BETTING PLATFORM PROVIDER AND SERVICE PROVIDER LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue mobile sports betting platform provider and service provider licenses that are valid for one year. A mobile sports betting platform provider and service provider license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A mobile sports betting platform provider or service provider license entitles the licensee to provide sports betting platforms, sports betting technology, sports betting applications, or associated mobile sports betting hardware, software, or equipment to mobile sports betting operators.

Subd. 3. **Licensing requirements.** A mobile sports betting operator must:

(1) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(2) not be disqualified under section 299L.25 or any relevant rules;

(3) pay an application fee of \$6,000 with submission of an application;

(4) pay a licensing fee after the application is approved in the amount of \$38,250 or a license renewal fee of \$8,500; and

(5) meet any other conditions required by rule adopted pursuant to section 299L.15.

Sec. 11. **[299L.31] SPORTS BETTING SUPPLIER LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue sports betting supplier licenses that are valid for one year. A sports betting supplier license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A sports betting supplier license entitles the licensee to either directly or indirectly provide mobile sports betting operators with information and support necessary to offer mobile sports betting. Information and support may be provided in the form of services, goods, or software, and may include data feeds and odds services, risk management, and integrity monitoring.

Subd. 3. **Licensing requirements.** A mobile sports betting supplier must:

(1) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(2) not be disqualified under section 299L.25 or any relevant rules;

(3) pay an application fee of \$6,000 with submission of an application;

(4) pay a licensing fee after the application is approved in the amount of \$38,250 or a license renewal fee of \$8,500; and

(5) meet any other conditions required by rule adopted pursuant to section 299L.15.

Sec. 12. **[299L.35] DEPOSIT AND APPROPRIATION OF FEES.**

(a) Application fees are deposited into a special revenue account and are appropriated annually to the commissioner for administering review of license applications and renewals.

(b) License and renewal fees shall be deposited in the general fund.

Sec. 13. **[299L.40] WAGERING.**

Subdivision 1. **Placing wagers.** An individual who is 21 years of age or older may place wagers pursuant to sections 299L.10 to 299L.80 provided the individual is not otherwise disqualified, prohibited, or excluded from doing so.

Subd. 2. **Wager type.** A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, may only accept wagers of a type previously approved by the commissioner. Wager types that the commissioner may approve include but are not limited to the following:

(1) a wager that a participant or participating team will win a sporting event or will win by a specified number of points;

(2) a wager as to whether the total points scored in a sporting event will be higher or lower than a number specified;

(3) a wager on an outcome contingency or proposition incidental to a sporting event, series, tournament, or season for which the outcome is published in newspapers of general circulation or in records made publicly available by the league or governing body for the event;

(4) a wager on the outcome of a series of two or more sporting events or a series of two or more contingencies incidental to a sporting event;

(5) in-game betting;

(6) futures bets placed on end of the season standings, awards, or statistics; and

(7) a wager that a participant or participating team will win an esports event or will win by a specified number of points.

Subd. 3. **Mobile sports betting account; establishment.** An individual may establish a mobile sports betting account by electronic means from any location, and may fund an account by any means approved by the commissioner.

Subd. 4. **Consideration; mobile sports betting account.** (a) A mobile sports betting operator or mobile sports betting platform provider must not accept a wager unless the authorized participant provides consideration in the form of funds or other thing of value such as use of free bets or promotional credits from their mobile sports betting account at the time of making the wager.

(b) Consideration must be in the form of withdrawal from a mobile sports betting account maintained by the mobile sports betting operator or mobile sports betting platform provider for the benefit of and in the name of the wagerer.

(c) A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, shall verify an individual's age and identity before allowing that individual to place a wager. Mobile sports betting operators and mobile sports betting platform providers may utilize an approved identity verification service provider to confirm an individual's age and identity.

(d) A person shall have the right to withdraw the balance of funds in the mobile sports betting account in the person's name at any time with proof of identity, as determined by rules adopted pursuant to section 299L.15.

Subd. 5. **Wager location.** Mobile sports betting wagers regulated under sections 299L.10 to 299L.80 may only be accepted from a person placing a wager online, through a website or mobile application, while the person placing the wager is physically within the state. The website or application may be hosted by a mobile sports betting operator operating in conjunction with a mobile sports betting platform provider. The incidental routing of a mobile sports wager shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

Subd. 6. **Information provided at the time of wager.** A mobile sports betting operator or mobile sports betting platform provider must disclose the betting line and terms of a wager prior to accepting a wager. Terms of the wager include the ratio of the amount to be paid for winning to the wagered amount.

Subd. 7. **Outcome determined.** A mobile sports betting operator or mobile sports betting platform provider must not accept a wager on the outcome of an event or proposition that has already been determined.

Subd. 8. **Receipt.** A mobile sports betting operator must provide a person who places a wager with an electronic receipt at the time of sale that contains the following information:

(1) the sporting event or proposition that is the subject of the wager;

(2) the outcome that will constitute a win on the wager;

(3) the amount wagered; and

(4) the payout in the event of a winning wager.

Sec. 14. **[299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

Subdivision 1. **Exclusion list.** (a) The commissioner shall maintain a list of persons who are not eligible to wager on sporting events through a mobile sports betting operator. The list shall include the names of:

(1) persons who have themselves requested to be on the exclusion list;

(2) persons whose names have been submitted, for their protection, by their legal guardians; and

(3) persons whose names have been submitted by mobile sports betting operators, mobile sports betting platform providers, or mobile sports betting vendors.

(b) The information contained on the list is private data on individuals, as defined in section 13.02, subdivision 12, except the commissioner is permitted to share the list with mobile sports betting operators as needed to prevent persons on the exclusion list from placing sports betting wagers.

Subd. 2. **Prohibited wagers.** The following individuals who are otherwise authorized to place wagers are prohibited from placing the wagers described:

(1) an individual who is prohibited from placing wagers by a mobile sports betting operator or mobile sports betting platform provider for good cause, including, but not limited to, any individual placing a wager as an agent or proxy on behalf of another may not place a wager of any kind;

(2) an individual who is an athlete, coach, referee, player, trainer, or team employee is prohibited from wagering on a sporting event overseen by that person's sports governing body;

(3) an individual who holds a position of authority sufficient to exert influence over the participants in a sporting event, including, but not limited to, a coach, manager, or owner is prohibited from wagering on that sporting event; and

(4) an individual who has access to certain types of exclusive or nonpublic information regarding a sporting event is prohibited from wagering on that sporting event and any other sporting event overseen by the sports governing body of that sporting event.

Subd. 3. **Prohibition on accepting wagers.** (a) A mobile sports betting operator or mobile sports betting platform provider shall not knowingly accept a wager from a person on the exclusion list or allow a person on the exclusion list to establish a mobile sports betting account.

(b) A mobile sports betting operator or a mobile sports betting platform provider shall not knowingly accept a wager prohibited under subdivision 2 from any individual who can reasonably be identified by publicly available information or by any lists provided to the commissioner.

(c) Knowingly accepting a wager from a person on the exclusion list is a license violation, subject to a penalty established by the commissioner.

Sec. 15. **[299L.50] FINANCIAL RESPONSIBILITY.**

Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting event placed with a mobile sports betting operator is an enforceable contract. A mobile sports betting operator or mobile sports betting platform provider who accepts a wager bears all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one year of the outcome that is the subject of the wager may be canceled by the mobile sports betting operator and its sports betting platform provider.

Subd. 2. **Cash reserves.** (a) A mobile sports betting operator shall, in conjunction with the mobile sports betting platform provider, maintain cash reserves in an amount that is not less than the greater of \$25,000 or the sum of the following three amounts:

(1) amounts held by the mobile sports betting operator for the mobile sports betting accounts of authorized participants;

(2) amounts accepted by the mobile sports betting operator as wagers on contingencies whose outcome have not been determined; and

(3) amounts owed but unpaid by the mobile sports betting operator on winning wagers through the period established by the operator, subject to time limits set by the commissioner, for honoring winning wagers.

(b) Such reserves shall be held in the form of cash or cash equivalents segregated from operational funds, payment processor reserves and receivables, any bond, an irrevocable letter of credit, or any combination thereof.

Subd. 3. **Bond.** A mobile sports betting operator or mobile sports betting platform provider shall be required to post a bond, securities, or an irrevocable letter of credit in an amount the commissioner deems necessary after taking into consideration the amount of the mobile sports betting operator's cash reserves, to protect the financial interests of people wagering on sporting events. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

Sec. 16. **[299L.51] INTEGRITY MONITORING.**

Each mobile sports betting operator or mobile sports betting platform provider must contract with a licensed independent integrity monitoring provider in order to identify any unusual betting activity or patterns that may indicate a need for further investigation. The commissioner shall establish minimum standards requiring each mobile sports betting operator or mobile sports betting platform provider to participate in the monitoring system as part of that licensee's minimum internal control standards. The commissioner shall immediately report any suspicious wagering to the appropriate state or federal authorities.

Sec. 17. **[299L.55] INSPECTION AND AUDITING OF LICENSEES.**

Subdivision 1. **Inspection.** The commissioner, the commissioner of revenue, and the director are authorized to inspect the accounting records of licensees at any time provided the licensee is given notice at least 24 hours before the inspection. This provision only applies to mobile sports betting operations and does not authorize the inspection of records related to Tribal gaming operations, Tribal governmental records, or Class III sports betting operations conducted exclusively on Indian Lands.

Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under this chapter, a mobile sports betting operator must contract with an independent third party to perform a financial audit, consistent with the standards established by the Public Company Accounting Oversight Board or using the Statements on Accounting standards issued by the Audit Standards Board of the American Institute of Certified Public Accountants. The mobile sports betting operator must submit the audit to the commissioner for examination and inspection within 120 days of the end of its fiscal year.

Sec. 18. **[299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

Subdivision 1. **Schedule of penalties.** The commissioner must adopt rules that provide a graduated schedule of penalties for violations of license requirements under statute or rule. The schedule must specify penalties that may range from warnings and probation periods to civil fines, temporary suspension of licenses, or revocation of licenses.

Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is about to commit a violation of those sections or rules adopted pursuant to those sections, or if the commissioner determines that the licensee is disqualified or ineligible to hold a license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section 299L.80 is not required for the commissioner to take action on a violation.

(b) Enforcement actions, license suspensions, license revocations, or license nonrenewals related to a specific mobile sports betting operator shall not impact or limit the ability of another mobile sports betting operator to conduct, offer, or offer for play mobile sports betting.

Subd. 3. **Temporary suspension.** (a) The commissioner may temporarily, without hearing, suspend the license and operating privilege of any licensee for a period of up to 90 days if there is clear and convincing evidence that:

(1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation, requires immediate action to protect the public from harm;

(2) the licensee has not timely filed a tax return or paid the tax required under chapter 297J; or

(3) the licensee has not timely paid all fees due under sections 299L.10 to 299L.80.

(b) The commissioner shall notify the licensee of the violation that caused the temporary suspension and may lift the temporary suspension if the licensee corrects the violation.

(c) The commissioner may extend the period of suspension if the violation is not corrected, the commissioner notifies the business that it intends to revoke or not renew a license, and a contested case hearing has not taken place.

Subd. 4. Notice of violation; administrative orders; request for reconsideration; demand for hearing. (a) The commissioner may issue an administrative order to any licensee who has committed a violation. The order may require the licensee to correct the violation or to cease and desist from committing the violation and may impose civil penalties. The order must state the deficiencies that constitute a violation, the time by which the violation must be corrected, and the amount of any civil penalty.

(b) If the licensee believes the information in the administrative order is in error, the licensee may ask the commissioner to reconsider any parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The commissioner must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the order unless the commissioner issues a supplemental order granting additional time. The commissioner's disposition of a request for reconsideration is final.

(c) An administrative order that imposes a civil penalty of more than \$2,000 shall be treated as a contested case under chapter 14.

(d) A licensee may request a hearing on the administrative order within 30 days of the service of the order. The request must be in writing and delivered to the commissioner by certified mail. If the licensee does not request a hearing within 30 days, the order becomes final.

(e) If the licensee requests a hearing, the hearing must be held not later than 30 days after the commissioner receives the request unless the licensee and the commissioner agree on a later date. After the hearing, the commissioner may enter an order making such disposition as the facts require. If the licensee fails to appear at the hearing after having been notified of it, the licensee is considered in default and the proceeding may be determined against the licensee on consideration of the administrative order, the allegations of which may be considered to be true. An action of the commissioner under this paragraph is subject to judicial review pursuant to chapter 14.

(f) Civil penalties collected by the commissioner shall be deposited in the general fund. Civil penalties may be recovered in a civil action in the name of the state brought in the district court.

Subd. 5. Revocation, nonrenewal, civil penalties; contested case. If the commissioner intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the commissioner shall provide the licensee with a statement of the complaints made against the licensee and shall initiate a contested case proceeding. The contested case shall be held pursuant to chapter 14.

Subd. 6. Penalties. In addition to penalties listed in this section, a person or licensee who violates the provisions of sections 299L.10 to 299L.80 is subject to any applicable criminal penalty.

Sec. 19. **[299L.65] REPORTING.**

Subdivision 1. Financial report. By June 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must describe the activities of the commissioner with respect to wagering on sporting events and include summary financial information on sports betting and the regulated sports betting industry as a whole. The report must not include information or data on individuals or entities that is classified as private data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated by or use identifying information for specific mobile sports betting operators or specific master mobile sports betting licensees.

Subd. 2. **License activity report.** By February 1 of each year beginning in 2023, the commissioner shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over public safety, the committee in the house of representatives with jurisdiction over commerce, and the committee in the senate with jurisdiction over state government finance and policy on the following:

(1) the status of applications for licenses issued by the commissioner, including the number of applications for each type of license, the number of licenses of each type issued, and the average time between receipt of a complete application and issuance of each type of license;

(2) an overview of the sports betting market, including but not limited to the actual and anticipated demand;

(3) the amount of revenue generated to the state by sports betting and the expenses incurred by the commissioner in enforcing restrictions on lawful sports betting; and

(4) the commissioner's enforcement actions taken against persons licensed under sections 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under section 299L.15.

Sec. 20. **[299L.70] DATA PROTECTIONS.**

Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting events is identified by name, account number, Social Security number, or any other uniquely identifying indicia, is private data on individuals, as defined in section 13.02, subdivision 12. Data on individual earnings of mobile sports betting operators, mobile sports betting operator application and licensing information, and all Tribal revenue records unassociated with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Sale of private data on individuals.** The commissioner shall revoke any license issued under sections 299L.10 to 299L.80 of a person who sells private data on the individuals collected through the practice of sports betting.

Sec. 21. **[299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES OR FEES.**

No political subdivision may require a local license to offer sports betting or impose a tax or fee on the sports betting conducted pursuant to this chapter.

Sec. 22. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

The governor or the governor's designated representatives shall negotiate in good faith new Tribal-state compacts regulating the conduct of Class III sports betting on the Indian Lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221. Compacts in effect on January 1, 2022, shall not be modified to accommodate sports betting.

ARTICLE 2
TAXATION OF SPORTS BETTING

Section 1. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision to read:

Subd. 19. **Nontaxable sports betting losses.** Losses from the business of conducting wagering on a sporting event under chapter 299L that are not subject to tax under this chapter are an addition.

EFFECTIVE DATE. This section is effective for taxable years beginning after

Sec. 2. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision to read:

Subd. 31. **Exempt sports betting income.** Income or gains from the business of conducting betting on a sporting event under chapter 299L that are not subject to tax under this chapter are a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after

Sec. 3. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision to read:

Subd. 15. **Nontaxable sports betting losses.** Losses from the business of conducting betting on a sporting event under chapter 299L that are not subject to tax under this chapter are an addition.

EFFECTIVE DATE. This section is effective for taxable years beginning after

Sec. 4. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision to read:

Subd. 20. **Exempt sports betting income.** Income or gains from the business of conducting betting on a sporting event under chapter 299L that are not subject to tax under this chapter are a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after

Sec. 5. **[297J.01] DEFINITIONS.**

Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise, the following terms have the meanings given:

(1) "casino" has the meaning given in section 299L.10, subdivision 4;

(2) "commissioner" means the commissioner of revenue;

(3) "Internal Revenue Code" means the Internal Revenue Code as defined in section 289A.02, subdivision 7;

(4) "mobile sports betting operator" has the meaning given in section 299L.10, subdivision 15;

(5) "sports betting" has the meaning given in section 299L.10, subdivision 20;

(6) "sports betting net revenue" means the total of all cash received by a mobile sports betting operator from wagers on sporting events, less promotional credits and free bets, less cash paid out as winnings and cash equivalent of noncash prizes paid out as winnings, and less federal excise taxes on sports wagering. Sports betting net revenue does not include other cash received by a mobile sports betting operator for activities other than sports betting; and

(7) "wager" has the meaning given in section 299L.10, subdivision 22.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after

Sec. 6. **[297J.02] TAX ON SPORTS BETTING NET REVENUE.**

Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed on sports betting net revenue received equal to ten percent on wagers placed online through a website or mobile application, as allowed under section 299L.40.

(b) Any bets placed on Indian Lands are not subject to state taxation.

Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** Income derived by a mobile sports betting operator from the conduct of wagering on a sporting event is not subject to the tax imposed in chapter 290. Wagers accepted by a mobile sports betting operator are not subject to the tax imposed in section 297A.62 or 297E.03.

Subd. 3. **Returns; due dates.** Taxes imposed by this section are due and payable to the commissioner when the gambling tax return is required to be filed. A mobile sports betting operator must file their monthly sports betting revenue figures with the commissioner on a form prescribed by the commissioner. Returns covering the taxes imposed under this section must be filed with the commissioner on or before the 20th day of the month following the close of the previous calendar month. The commissioner shall prescribe the content, format, and manner of returns or other documents pursuant to section 270C.30. The proceeds must be paid to the commissioner of management and budget for deposit as required in subdivision 6.

Subd. 4. **Public information.** All records concerning the administration of taxes under this chapter are classified as public information.

Subd. 5. **Refunds.** A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds under this subdivision is appropriated from the sports betting revenue account established in subdivision 7 to the commissioner.

Subd. 6. **Extensions.** If in the commissioner's judgment good cause exists, the commissioner may extend the time for filing tax returns, paying taxes, or both under this section for not more than six months.

Subd. 7. **Distribution of funds.** (a) The sports betting revenue account is established in the special revenue fund. All amounts collected by the commissioner under this chapter must be deposited in the account and distributed as provided in this subdivision. Any money remaining in the account at the end of each fiscal year does not cancel. Interest and income earned on money in the account, after deducting any applicable charges, shall be credited to the account. After deducting any amounts necessary to pay the refunds under subdivision 5, the money shall be distributed as provided in paragraphs (b) to (d).

(b) Ten percent of the amount deposited in the special revenue fund pursuant to paragraph (a) is appropriated to the commissioner of public safety for the Division of Alcohol and Gambling Enforcement to perform the duties described in sections 299L.10 to 299L.80.

(c) Forty percent of the amount deposited in the special revenue fund pursuant to paragraph (a) is appropriated to the commissioner of human services of which half is for the compulsive gambling treatment program established under section 245.98, and half is for a grant to the state affiliate recognized by the National Council on Problem Gambling to be used to increase public awareness of problem gambling, provide education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. Money appropriated by this paragraph must supplement and must not replace existing state funding for these programs.

(d) Fifty percent of the amount deposited in the special revenue fund pursuant to paragraph (a) shall be transferred to the amateur sports integrity and participation account established pursuant to section 240A.15, subdivision 1.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after

Sec. 7. **[297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND RECORDS.**

Subdivision 1. **Reports.** A mobile sports betting operator must file with the commissioner, on a form prescribed by the commissioner, a report showing all mobile sports betting activity conducted by the mobile sports betting operator for each month. Sports betting activity includes the amounts of all wagers received, payouts, and all sports betting taxes owed or paid to the commissioner. The report must be filed with the commissioner on or before the 20th day of the month following the month in which the sports betting activity takes place. The commissioner shall prescribe the content, format, and manner of the report pursuant to section 270C.30.

Subd. 2. **Business records.** A mobile sports betting operator must maintain records supporting the sports betting activity reported to the commissioner. Records required to be kept in this section must be preserved by the mobile sports betting operator for at least 3-1/2 years and may be inspected by the commissioner at any reasonable time without notice or a search warrant.

Subd. 3. **Audits.** The commissioner may require a financial audit of a mobile sports betting operator's sports betting activities if the mobile sports betting operator has failed to comply with this chapter as it relates to financial reporting. Audits must be performed by an independent accountant licensed according to chapter 326A. The commissioner must prescribe standards for an audit required under this subdivision. A complete, true, and correct copy of an audit must be filed as prescribed by the commissioner.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after

ARTICLE 3
CRIMES RELATED TO SPORTS BETTING

Section 1. Minnesota Statutes 2020, section 260B.007, subdivision 16, is amended to read:

Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a juvenile violation of section 299L.80, subdivision 3, paragraph (a), a violation of section 609.685, or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.

(b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a misdemeanor if committed by an adult.

(c) "Juvenile petty offense" does not include any of the following:

(1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;

(2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;

(3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

(4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender. "The term juvenile petty offender does not include a child alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

Sec. 2. **[299L.80] CRIMES RELATING TO WAGERING ON SPORTING EVENTS.**

Subdivision 1. **Definitions.** As used in this section:

(1) "accepts a wager" includes receiving, recording, or forwarding a wager or an offer to wager on a sporting event, and attempts to do so:

(2) "nonpublic information" means information regarding a participant's ability or likelihood to perform in a sporting event that:

(i) is not available to the general public;

(ii) is derived from a personal or professional relationship with the participant; and

(iii) if the information was disseminated, would likely affect the odds of the participant or the participant's team in achieving a particular outcome in the event; and

(3) "places a wager" includes an offer or attempt to place a wager on a sporting event.

Subd. 2. **Sale or transfer of private data.** (a) Whoever sells or transfers private data on individuals collected through the practice of wagering on sporting events is guilty of a misdemeanor.

(b) Paragraph (a) does not apply to the transfer of data between a person licensed under section 299L.10 to 299L.80 or an employee of a licensee and the commissioner, the director, or the commissioner of revenue when that transfer is necessary to perform duties prescribed by law relating to wagering on sporting events.

Subd. 3. **Wagering by a person under age 21.** (a) A person who is under 21 years of age and does either of the following is guilty of a misdemeanor:

(1) places a wager on a sporting event; or

(2) misrepresents the person's age as being 21 or older for the purposes of placing a wager on a sporting event.

(b) A person licensed under sections 299L.10 to 299L.80 or an employee of a licensee who accepts a wager on a sporting event placed by someone under the age of 21 years is guilty of a gross misdemeanor.

(c) Paragraph (a), clause (1) does not prohibit private social bets on sporting events that are not part of or incidental to organized, commercialized, or systematic gambling.

Subd. 4. **Unauthorized wagers.** (a) The following persons who place a wager with an entity licensed under sections 299L.10 to 299L.80 are guilty of a crime and may be sentenced as provided in paragraphs (b) to (e):

(1) a person who is a participant in a sporting event and who places a wager on that event or who induces another to place a wager on the event on behalf of the person;

(2) a person licensed under sections 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, who places a wager on a sporting event on an online website or mobile application with which the person is affiliated;

(3) an officer, director, member, or employee of the Department of Public Safety or the division who places a wager on a sporting event; or

(4) a person who possesses nonpublic information on a sporting event and who places a wager on that event.

(b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than \$500.

(c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 609.76; or

(2) the amount of the wager is more than \$500 but not more than \$1,000.

(d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

(e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(1) the amount of the wager is more than \$5,000; or

(2) the person places more than five wagers on any one or more sporting events within any 30-day period and the total amount wagered is more than \$2,500.

Subd. 5. Unauthorized acceptance of wagers. (a) A person licensed under sections 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, who accepts a wager on a sporting event knowing that the wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may be sentenced as provided in paragraphs (b) to (e).

(b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than \$500.

(c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 609.76; or

(2) the amount of the wager is more than \$500 but not more than \$1,000.

(d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

(e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(1) the amount of the wager is more than \$5,000; or

(2) the person accepts one or more wagers knowing that:

(i) the wager is prohibited under subdivision 4, paragraph (a);

(ii) acceptance of the wager will result in the person making a wager having placed more than five wagers on any one or more sporting events within any 30-day period; and

(iii) the total amount wagered is more than \$2,500.

Subd. 6. **Aggregation; venue.** In any prosecution under subdivision 4 or 5, the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those subdivisions. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Subd. 7. **Proof of age; defense; seizure of false identification.** (a) Proof of age for placing a wager under sections 299L.10 to 299L.80 on a sporting event may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, a Tribal government, or a province of Canada, that includes the photograph and date of birth of the person;

(2) a valid military identification card issued by the United States Department of Defense;

(3) a valid United States passport;

(4) a valid instructional permit issued under section 171.05 that includes a photograph and the date of birth of the person;

(5) a Tribal identification;

(6) in the case of a foreign national, a valid passport; or

(7) use of an identity verification process approved by the commissioner and implemented by the mobile sports betting operator or mobile sports betting platform provider.

(b) In a prosecution for accepting a wager on a sporting event from a person under the age of 21, it is an affirmative defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in paragraph (a).

(c) A mobile sports betting operator or employee of a mobile sports betting operator, or an official or employee authorized to accept wagers on sporting events under a Tribal-state compact regulating the conduct of Class III sports betting on the Indian Lands of an Indian Tribe, may seize a form of identification listed under paragraph (a) if the person has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A person who seizes a form of identification under this paragraph must deliver it to a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), within 24 hours of seizure.

Sec. 3. Minnesota Statutes 2020, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

- (2) a contract for the purchase or sale at a future date of securities or other commodities;
- (3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;
- (4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;
- (5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;
- (6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;
- (7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; ~~and~~
- (8) the purchase and sale of State Lottery tickets under chapter 349A; and
- (9) sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.

Sec. 4. Minnesota Statutes 2020, section 609.75, subdivision 4, is amended to read:

Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance, whether or not the contrivance is actually played. "Gambling device" also includes a video game of chance, as defined in subdivision 8. "Gambling device" does not include a website or mobile application, or device used for accessing the website or mobile application, authorized to be used in conducting mobile sports betting pursuant to sections 299L.10 to 299L.80.

Sec. 5. Minnesota Statutes 2020, section 609.75, subdivision 7, is amended to read:

Subd. 7. **Sports bookmaking.** Sports bookmaking is the activity of intentionally receiving, recording or forwarding within any 30-day period more than five bets, or offers to bet, that total more than \$2,500 on any one or more sporting events. Sports bookmaking does not include sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.

Sec. 6. Minnesota Statutes 2020, section 609.75, is amended by adding a subdivision to read:

Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10, subdivision 19, and includes any event, such as a game, match, contest, or activity, or series of games, matches, contests, activities, or tournaments, involving the athletic skill or performance in a video game of one or more players or participants, regardless of whether the event is approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Sec. 7. Minnesota Statutes 2020, section 609.755, is amended to read:

609.755 GAMBLING; MISDEMEANOR.

Whoever does any of the following is guilty of a misdemeanor:

- (1) makes a bet, other than a bet on a sporting event;
- (2) sells or transfers a chance to participate in a lottery;

(3) disseminates information about a lottery, except a lottery conducted by an adjoining state, with intent to encourage participation therein;

(4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; or

(5) except where authorized by statute, possesses a gambling device.

Clause (5) does not prohibit possession of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.

Sec. 8. Minnesota Statutes 2020, section 609.76, subdivision 2, is amended to read:

Subd. 2. **Unauthorized sports bookmaking betting.** (a) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a misdemeanor if the amount of the wager is no more than \$500.

(b) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 609.76; or

(2) the amount of the wager is more than \$500 but not more than \$1,000.

(c) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a felony if the amount of the wager is more than \$1,000.

(d) Whoever engages in sports bookmaking is guilty of a felony.

(e) In any prosecution under paragraph (b) or (c), the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those paragraphs. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Sec. 9. **[609.764] SPORTING EVENTS; FRAUD; BRIBERY.**

(a) As used in this section:

(1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision 18; and

(2) "sporting event" has the meaning given in section 299L.10, subdivision 19.

(b) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person:

(1) offers, gives, or promises to give, directly or indirectly, to a participant in a sporting event any benefit, reward, or consideration to which the participant is not legally entitled as compensation or a prize, with intent to influence the performance of the participant, or the outcome of the event or a component of the event; or

(2) as a participant in a sporting event, requests, receives, or agrees to receive, directly or indirectly, a benefit, reward, or consideration to which the participant is not legally entitled to intentionally lose, cause to lose, or attempt to lose or cause to lose the event, or to intentionally perform below abilities to adversely affect the outcome of the event or a component of the event.

Sec. 10. **EFFECTIVE DATE.**

Sections 1 to 9 are effective the day that sports betting becomes lawful under article 1 and applies to crimes committed on or after that date.

ARTICLE 4
AMATEUR SPORTS GRANTS; APPROPRIATIONS

Section 1. **[240A.15] GRANTS FOR PROMOTING INTEGRITY AND PARTICIPATION.**

Subdivision 1. **Account established; appropriation.** The amateur sports integrity and participation account is established in the special revenue fund. The account shall consist of the amount deposited pursuant to section 297J.02, subdivision 6, paragraph (d). The amounts deposited into the account are appropriated to the Minnesota Amateur Sports Commission to make grants under this section. The Minnesota Amateur Sports Commission may retain four percent of the total appropriation to administer the grants.

Subd. 2. **Grants to promote the integrity of amateur sports.** (a) The Minnesota Amateur Sports Commission shall use 20 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to collegiate and amateur sports associations to promote the integrity of amateur sports.

(b) Grant recipients may use funds to:

(1) provide comprehensive gambling and athlete protection education and programming related to disordered gambling to athletes and others directly involved with amateur athletic organizations;

(2) promote the independence, safety, and training of amateur sports leagues and officials;

(3) provide educational substance abuse prevention and intervention programs related to the use of performance-enhancing drugs;

(4) provide training to coaches and athletes on safe relationships and how to establish and maintain an environment free from bullying, harassment, and discrimination based on race or sex; or

(5) provide training or resources to address the mental health needs of amateur athletes, including programs to address depression, anxiety, and disordered eating.

(c) By September 1 of each year, individuals or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing the way in which grant funds were used and providing any additional information required by the Minnesota Amateur Sports Commission.

Subd. 3. **Grants to promote and facilitate participation in youth sports.** (a) The Minnesota Amateur Sports Commission shall use 80 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to organizations to promote and facilitate participation in youth sports in areas that have experienced a disproportionately high rate of juvenile crime.

(b) Applicants may demonstrate that an area has experienced a disproportionately high rate of juvenile crime through the use of public data or reports, a submission from the local law enforcement agency, or any other reliable information showing that the area to be served by the applicant has experienced more incidents of juvenile crime than the state average or than surrounding communities.

(c) Grant recipients may use funds to:

(1) establish, maintain, or expand youth sports;

(2) improve facilities for youth sports;

(3) reduce or eliminate participation costs for youth through the use of scholarships, assistance with the purchase of equipment, reductions or elimination of program fees, and accounting for other reasonable costs that serve as a barrier to participation;

(4) recruit and train adults to serve as coaches, officials, or in other supportive roles; or

(5) coordinate additional services for youth including tutoring, mental health services, substance abuse treatment, and family counseling.

(d) By September 1 of each year, individuals or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing the way in which grant funds were used and providing any additional information required by the Minnesota Amateur Sports Commission.

Subd. 4. **Annual report.** By January 15 of each year, the Minnesota Amateur Sports Commission must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must identify the grants issued under this section since the previous report, including the individual or organization that received the grant, the amount awarded, and the purpose of the grant. The report must also compile and provide the annual reports received from grantees.

Sec. 2. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT GAMBLERS; APPROPRIATION.**

Subdivision 1. **Appropriation.** \$150,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for a grant to a nonprofit organization to conduct a study on the gambling motivations and beliefs of young adult gamblers.

Subd. 2. **Award.** The commissioner shall award the grant to a nonprofit, gambling-neutral organization with experience raising public awareness about problem gambling and providing professional training for those who work with problem gamblers.

Subd. 3. **Focus group.** (a) The grant recipient shall convene a focus group of 40 individuals who are at least 18 years of age but not more than 35 years of age and who have experience gambling in Minnesota.

(b) Membership of the focus group shall reflect the geographical and demographic diversity of Minnesotans who are 18 to 35 years of age.

(c) The focus group shall identify the reasons that young adults gamble and the ways in which they engage in gambling, including whether they wager on sporting events; participate in fantasy sports; purchase lottery tickets; visit casinos; engage in online gambling; participate in card playing as defined in Minnesota Statutes, section 240.01, subdivision 5; engage in pari-mutuel betting as defined in Minnesota Statutes, section 240.01, subdivision 14; or participate in lawful gambling authorized under Minnesota Statutes, chapter 349.

Subd. 4. **Qualitative survey.** Following completion of the focus group described in subdivision 3, the grant recipient shall create a qualitative survey and obtain responses from a sample of at least 50,000 individuals.

Subd. 5. **Report.** By January 15, 2024, the grant recipient shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report shall summarize the actions and findings of the grant recipient and shall make recommendations for policies and the use of financial resources to prevent and address problem gambling by young adults.

Sec. 3. DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.

\$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety to perform the duties required to establish and regulate mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80. The base for this appropriation is \$.....in fiscal year 2024 and beyond.

Sec. 4. DEPARTMENT OF REVENUE; APPROPRIATION.

\$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of revenue to perform the duties necessary to establish and enforce the taxation of mobile sports betting. The base for this appropriation is \$..... in fiscal year 2024 and beyond."

Amend the title as follows:

Page 1, line 5, before "amending" insert "appropriating money;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 2661, A bill for an act relating to economic development; creating the zero-waste grant program; appropriating money; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Workforce and Business Development Finance and Policy.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2711, A bill for an act relating to common interest communities; establishing procedures for levying a fine or limited assessment or initiating a foreclosure; amending Minnesota Statutes 2020, section 515B.3-102.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 2767, A bill for an act relating to liquor; prohibiting exclusive contracts for distillers; amending Minnesota Statutes 2020, section 340A.307, subdivisions 1, 2, 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
LIQUOR REGULATION

Section 1. Minnesota Statutes 2020, section 340A.101, subdivision 16, is amended to read:

Subd. 16. **Malt liquor.** "Malt liquor" is any ~~beer, ale, or other~~ beverage made from malt by fermentation, or by the fermentation of malt substitutes, including rice, grain of any kind, glucose, sugar, molasses, or other carbohydrate that has not undergone distillation, and containing that contains not less than one-half of one percent alcohol by volume. "Beer" means any beverage meeting the definition of malt liquor under this subdivision.

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

Sec. 2. Minnesota Statutes 2020, section 340A.22, subdivision 1, is amended to read:

Subdivision 1. **Activities.** (a) A microdistillery licensed under this chapter may provide on its premises samples of distilled spirits manufactured on its premises, in an amount not to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled under this paragraph by any person on any day.

(b) A microdistillery or other licensed manufacturer of distilled spirits can sell cocktails to the public, pursuant to subdivision 2.

(c) A microdistillery or other licensed manufacturer of distilled spirits may not operate a cocktail room under subdivision 2 or conduct sales at off-sale under subdivision 4 unless at least 50 percent of the annual production of the licensee is processed and distilled on premises.

(d) For purposes of calculating annual production under paragraph (c), distilled spirits that are bottled by the licensee under a contract bottling agreement with a third party are excluded from the licensee's annual production if the:

(1) third-party contractor is an independent entity that is not owned or controlled by the licensee;

(2) distilled spirits bottled under a third-party contract are not available for sale or marketed by the licensee or the third party at any location licensed under subdivision 2 or 4; and

(3) distilled spirits bottled under a third-party contract are available for distribution by wholesalers.

~~(d)~~ (e) Distilled spirits produced or in production prior to July 1, 2017, are not counted as part of the calculations under paragraph (c).

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

Sec. 3. Minnesota Statutes 2020, section 340A.22, subdivision 2, is amended to read:

Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a microdistillery license or distilled spirits manufacturer license under this chapter a ~~microdistillery~~ cocktail room license. A ~~microdistillery~~ cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. Notwithstanding section 340A.504, subdivision 3, a cocktail room may be open and may conduct on-sale business on Sundays if authorized by the municipality. Nothing in this subdivision precludes the holder of a ~~microdistillery~~ cocktail room license from also holding a license to operate a restaurant at the distillery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A distiller may only have one cocktail room license under this subdivision, ~~and may not have an ownership interest in a distillery licensed under section 340A.301, subdivision 6, clause (a).~~

(c) The municipality shall impose a licensing fee on a distiller holding a ~~microdistillery~~ cocktail room license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

(d) A municipality shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The municipality shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.

(e) No single entity may hold both a cocktail room and taproom license, and a cocktail room and taproom may not be colocated.

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

Sec. 4. Minnesota Statutes 2020, section 340A.22, subdivision 4, is amended to read:

Subd. 4. **Off-sale license.** (a) A microdistillery may be issued a license by the local licensing authority for off-sale of distilled spirits, with the approval of the commissioner. The license may allow ~~the sale of one 375 milliliter bottle per customer per day of product manufactured on-site~~ sales as provided in paragraph (b), subject to the following requirements:

(1) off-sale hours of sale must conform to hours of sale for retail off-sale licensees in the licensing municipality; and

(2) no brand may be sold at the microdistillery unless it is also available for distribution by wholesalers.

(b) The license allows a microdistillery to sell product manufactured on-site to each customer per day under either one of the following amount and container size limitations:

(1) up to a total of 750 milliliters, in any size container approved under paragraph (c); or

(2) up to a total of 1.125 liters, in any size container approved under paragraph (c) that does not exceed 375 milliliters.

(c) The commissioner may approve any standard fill as approved by the Alcohol and Tobacco Tax and Trade Bureau.

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

Sec. 5. Minnesota Statutes 2020, section 340A.28, subdivision 2, is amended to read:

Subd. 2. **Prohibition.** A municipality may not issue a license under this section to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than ~~20,000~~ 150,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

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

Sec. 6. **[340A.29] OFF-SALE PACKAGING REQUIREMENTS FOR CERTAIN SMALL BREWERS.**

Subdivision 1. **Certain off-sale authorized.** Notwithstanding any law to the contrary, and in addition to the off-sale of malt liquor allowed under section 340A.28, a brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), that produces 7,500 barrels or less of malt liquor annually may be issued a license by a municipality for off-sale at its licensed premises of up to 128 ounces per customer per day of malt liquor that has been produced and packaged by the brewer, as provided in subdivision 2. The license must be approved by the commissioner. The amount of malt liquor sold at off-sale under this section must be included in calculating the annual barrel limit imposed in section 340A.28, subdivision 1.

Subd. 2. **Packaging.** Malt liquor authorized for off-sale pursuant to subdivision 1 must be packaged in a container that is in compliance with the provisions of Minnesota Rules, parts 7515.1080 to 7515.1120.

Subd. 3. **Off-sale not exclusive to brewery premises.** Any brand sold under this section must be made available for sale to a malt liquor wholesaler, other than a wholesaler owned in whole or in part by a brewer as allowed in section 340A.301, subdivision 9.

Subd. 4. **Exception; production in 2021.** Notwithstanding the 7,500 barrel limit in subdivision 1, a brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), that produced more than 5,500 barrels but not more than 13,500 barrels of malt liquor in calendar year 2021, as demonstrated by records from the Department of Revenue, may be issued a license under this section, provided that a brewer is only allowed to make the sales authorized in this section until the brewer's production exceeds its 2021 production amount by 2,000 barrels.

Subd. 5. **Other laws.** All other requirements of chapter 340A, not inconsistent with this section apply.

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

Sec. 7. Minnesota Statutes 2020, section 340A.301, subdivision 8, is amended to read:

Subd. 8. **Interest in other business.** (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or

indirect interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) Except as provided in subdivision 9, no brewer as defined in subdivision 9 or importer may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

(c) A winery holding a license under subdivision 6, paragraph (b) that produces and sells, including sales from the winery's premises, no more than 2,500 barrels or its metric equivalent of cider made from apples in a calendar year may own or have an interest in a wholesaler that sells only the winery's apple-based cider products. The winery eligible to own or have an interest in a wholesaler under this subdivision must provide the commissioner with an affidavit stating that no existing wholesaler is available to represent and distribute the winery's apple-based cider to retail license holders.

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

Sec. 8. Minnesota Statutes 2020, section 340A.307, subdivision 1, is amended to read:

Subdivision 1. **Nondiscriminatory sales.** All licensed importers and manufacturers must offer for sale on an equal basis to all licensed wholesalers and manufacturers all intoxicating liquor brought into or produced in the state of Minnesota.

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

Sec. 9. Minnesota Statutes 2020, section 340A.307, subdivision 2, is amended to read:

Subd. 2. **Prohibited practices.** Without limiting subdivision 1, the following are failures to offer intoxicating liquor for sale on an equal basis and are unlawful:

(1) A refusal to sell to a wholesaler or manufacturer intoxicating liquor offered for sale to any other wholesaler or manufacturer, except when a wholesaler or manufacturer is in arrears on payments for past purchases from the importer or manufacturer who refuses to sell.

(2) A sale of intoxicating liquor to a wholesaler or manufacturer at a price different from that offered to another wholesaler or manufacturer, exclusive of shipping costs, except that quantity discounts based on actual cost savings may be uniformly offered to all wholesalers and manufacturers.

(3) A sale of intoxicating liquor to a wholesaler or manufacturer on terms of purchase different from those offered another wholesaler or manufacturer, except that when the importer or manufacturer reasonably believes that a wholesaler or manufacturer will be unable to comply with the existing terms of credit, other terms may be employed, including denial of credit.

(4) Discrimination among wholesalers and manufacturers in satisfying their respective demands for intoxicating liquor.

(5) A sale conditioned on an agreement which restricts the wholesaler or manufacturer with respect to customers, area for distribution, or resale price, or which otherwise restrains the wholesaler or manufacturer from competing in trade and commerce.

(6) For purposes of this subdivision and subdivision 1 only, the term "intoxicating liquor" does not include "pop wines" as they are defined by rule of the commissioner.

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

Sec. 10. Minnesota Statutes 2020, section 340A.307, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** Nothing in this section applies to: ~~wine or malt liquor of any alcohol content.~~

~~(1) wine or malt liquor of any alcohol content;~~

~~(2) intoxicating liquor which is:~~

~~(i) further distilled, refined, rectified, or blended within the state; and~~

~~(ii) bottled within the state and labeled with the importer's own labels after importation into the state; or~~

~~(3) any brand of intoxicating liquor which is offered for sale only in this state. No such brand shall vary from an existing or new brand sold in another state in any manner as to brand name, age, or proof of the product.~~

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

Sec. 11. Minnesota Statutes 2020, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority;

(6) sports facilities located on land owned by the Metropolitan Sports Commission; ~~and~~

(7) exclusive liquor stores; and

(8) resorts as defined in section 157.15, subdivision 11.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A ~~city~~ municipality may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team or baseball team competing in a league established by the Minnesota Baseball Association, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the city municipality for the purposes of summer collegiate league baseball games, town ball games, and any other events at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games and any other events at the ballpark or stadium.

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

Sec. 12. Minnesota Statutes 2020, section 340A.404, subdivision 1a, is amended to read:

Subd. 1a. **Cities Municipalities; auto racing facilities.** A ~~city~~ municipality may issue an on-sale intoxicating liquor license to an auto racing facility located in the city municipality. The license may authorize sales both to persons attending any and all events at the facility, and sales in a restaurant, bar, or banquet facility located on the premises of the auto racing facility. The license authorizes sales on all days of the week. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within a defined area as described in the application for the license.

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

Sec. 13. Minnesota Statutes 2020, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, ~~or~~ hotel, or resort as defined in section 157.15, subdivision 11, with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

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

Sec. 14. Minnesota Statutes 2020, section 340A.404, subdivision 10, is amended to read:

Subd. 10. **Temporary on-sale licenses.** (a) The governing body of a municipality may issue to (1) a club or charitable, religious, or other nonprofit organization in existence for at least three years, (2) a political committee registered under section 10A.14, or (3) a state university, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the licensee. The license may authorize the on-sale of intoxicating liquor for not more than four consecutive days, except as provided for county fairs in section 340A.410, subdivision 10, and may authorize on-sales on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by any municipality. The licenses

are subject to the terms, including a license fee, imposed by the issuing municipality. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except sections 340A.409 and 340A.504, subdivision 3, paragraph (d), and those laws and ordinances which by their nature are not applicable. Licenses under this subdivision are not valid unless first approved by the commissioner of public safety.

(b) A county under this section may issue a temporary license only to a premises located in the unincorporated or unorganized territory of the county.

(c) The governing body of a municipality may issue to a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year or a microdistillery a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer or microdistillery. The terms and conditions specified for temporary licenses under paragraph (a) shall apply to a license issued under this paragraph, except that the requirements of section 340A.409, subdivisions 1 to 3a, shall apply to the license.

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

Sec. 15. Minnesota Statutes 2020, section 340A.410, subdivision 10, is amended to read:

Subd. 10. **Temporary licenses; restrictions.** (a) A municipality may not issue more than three four-day, four three-day, six two-day, or 12 one-day temporary licenses, in any combination not to exceed 12 days per year, under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within a 12-month period.

(b) A municipality may not issue more than one temporary license under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within any 30-day period unless the licenses are issued in connection with an event officially designated a community festival by the municipality.

This restriction does not apply to a municipality with a population of ~~5,000~~ 10,000 or fewer people.

(c) A municipality that issues separate temporary wine and liquor licenses may separately apply the limitations contained in paragraphs (a) and (b) to the issuance of such licenses to any one organization or registered political committee, or for any one location.

(d) In addition to the temporary licenses authorized in paragraph (a), a municipality may issue one seven-day temporary license per year to a county agricultural society established under section 38.01, for alcoholic beverage sales at a county fair.

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

Sec. 16. Minnesota Statutes 2020, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;

- (5) soft drinks;
 - (6) liqueur-filled candies;
 - (7) food products that contain more than one-half of one percent alcohol by volume;
 - (8) cork extraction devices;
 - (9) books and videos on the use of alcoholic beverages;
 - (10) magazines and other publications published primarily for information and education on alcoholic beverages;
 - (11) multiple-use bags designed to carry purchased items;
 - (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
 - (13) home brewing equipment; ~~and~~
 - (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;
 - (15) citrus fruit; and
 - (16) glassware.
- (b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.
- (c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 17. Minnesota Statutes 2020, section 340A.504, is amended by adding a subdivision to read:

Subd. 8. Extended hours for on-sale; World Cup. Notwithstanding the restrictions on the days and hours for on-sale of intoxicating liquor or 3.2 percent malt liquor in this section, during a FIFA Women's World Cup competition or FIFA World Cup competition, a licensing jurisdiction may, at its discretion, issue special permits for service of alcohol through extended hours. The permit only authorizes the sale of alcoholic beverages 30 minutes before, during, and 30 minutes after a scheduled broadcast of a live World Cup match. The sales authorized under this subdivision are not allowed during broadcasts of previously played matches. Only holders of an existing on-sale intoxicating liquor license or a 3.2 percent malt liquor license are eligible for the extended hours. Local licensing jurisdictions issuing special permits to operate with extended hours under this subdivision may charge a fee up to but not to exceed \$250 for a permit. In the process of issuing a permit under this section, the licensing jurisdiction may limit approval to specified geographic, zoning, or license classifications within its jurisdiction.

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

Sec. 18. **[340A.915] LIQUOR REGULATION ADVISORY COUNCIL.**

Subdivision 1. **Creation; composition.** (a) There is created a permanent Liquor Regulation Advisory Council. This council does not expire unless the council no longer fulfills the purpose for which the council was established, the council has not met in the last 18 months, or the council does not comply with the registration requirements of section 15.0599, subdivision 3. The council shall consist of nine voting members, to be appointed by the governor as follows:

(1) three members must represent retailers, as follows:

(i) one member must represent or be employed by a municipal liquor store established under section 340A.601;

(ii) one member must represent or be employed by an exclusive liquor store; and

(iii) one member must represent or be employed by a restaurant that has been issued an on-sale intoxicating liquor license under section 340A.404, subdivision 1, paragraph (a), clause (2), or subdivision 6;

(2) three members must represent wholesalers, as follows:

(i) one member must be a member of an organized labor organization representing the employees of a wholesaler;

(ii) one member must represent or be employed by a wholesaler of distilled spirits; and

(iii) one member must represent or be employed by a malt liquor wholesaler other than a wholesaler described in section 340A.301, subdivision 9, paragraph (g); and

(3) three members must represent manufacturers, as follows:

(i) one member must be the holder of a brewer's license under section 340A.301, subdivision 6, paragraph (c), (i), or (j), that brews no more than 20,000 barrels of its own brands of malt liquor annually;

(ii) one member must be the holder of a microdistillery license under section 340A.22; and

(iii) one member must represent or be employed by a licensed manufacturer other than a manufacturer described in item (i) or (ii).

(b) Each council member shall appoint an alternate. Alternates shall serve in the absence of the member they replace.

(c) The appointed voting members shall serve for terms of five years and may be reappointed.

(d) The speaker of the house and minority leader of the house of representatives shall each appoint a caucus member as a liaison to the council. The majority and minority leaders of the senate shall each appoint a caucus member to serve as a liaison to the council.

(e) The compensation and removal of members shall be as provided in section 15.059.

(f) The governor must appoint a member of the council to serve as chair. The chair is the presiding officer at all meetings of the council.

Subd. 2. **Duties; recommendations.** The council must submit its recommendations with respect to amendments to this chapter having a statewide impact by February 1 of each year to the committees of the legislature with jurisdiction over liquor regulation and shall report its views upon any pending bill relating to this chapter to the proper legislative committee. A recommendation may not be made by the council unless it is supported by a majority of the council members, provided that at least one member from each group described in subdivision 1, paragraph (a), clauses (1) to (3), supports the recommendation. At the request of the chairs of the senate or house of representatives committees that hear liquor regulation matters, the commissioner or the commissioner's designee must schedule a meeting of the council with the members of the committees to discuss matters of legislative concern arising under this chapter.

Subd. 3. **Meetings; voting.** (a) The council must meet as frequently as necessary to carry out its duties and responsibilities. The council may also conduct public hearings throughout the state as may be necessary to give interested persons an opportunity to comment and make suggestions on the operation of the state's regulatory system for alcoholic beverages.

(b) The meetings of the council are subject to the state's Open Meeting Law, chapter 13D, except that each group described in subdivision 1, paragraph (a), clauses (1) to (3), may meet in separate closed caucuses for the purpose of deliberating on matters before the council. All votes of the council must be public and recorded.

Subd. 4. **Executive director.** (a) The commissioner or the commissioner's designee must appoint an executive director of the council.

(b) The executive director shall provide administrative support and information to the council in order to allow it to monitor all elements of Minnesota's regulatory system for alcoholic beverages.

Subd. 5. **Administrative support.** The commissioner must supply necessary office space, supplies, and staff support to assist the council and its executive director in their duties.

EFFECTIVE DATE. This section is effective after June 30, 2022.

Sec. 19. **SPECIAL PROVISION; TAX ON FERMENTED MALT BEVERAGES.**

Notwithstanding any law to the contrary, sake produced by an establishment producing sake in this state prior to March 1, 2012, under a brew pub license issued under Minnesota Statutes, section 340A.24, is a fermented malt beverage for purposes of imposing the tax under Minnesota Statutes, chapter 297G. No refunds may be issued under this section for tax paid under Minnesota Statutes, section 297G.03, before the date of enactment.

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

Sec. 20. **SERVICE OF ALCOHOLIC BEVERAGES; PERSONS 17 YEARS OF AGE.**

(a) Notwithstanding Minnesota Statutes, section 340A.412, subdivision 10, or any other law, charter provision, or ordinance to the contrary, a person who is 17 years of age may serve or sell intoxicating liquor in a retail establishment that has an on-sale intoxicating liquor license, provided that the person does not tend bar.

(b) This section expires two years following the date of final enactment.

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

Sec. 21. **APPROPRIATION.**

\$250,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for the purpose of hiring two additional full-time employees in the Division of Alcohol and Gambling Enforcement.

ARTICLE 2
DIRECT SHIPPED WINE

Section 1. Minnesota Statutes 2020, section 13.6905, is amended by adding a subdivision to read:

Subd. 36. **Direct wine shipments.** Data obtained and shared by the commissioner of public safety relating to direct shipments of wine are governed by sections 340A.550 and 340A.555.

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

Sec. 2. Minnesota Statutes 2020, section 295.75, subdivision 4, is amended to read:

Subd. 4. **Tax collection required.** A liquor retailer with nexus in Minnesota or a direct ship winery as defined in section 340A.550, who is not subject to tax under subdivision 2, is required to collect the tax imposed under subdivision 3 from the purchaser of the liquor and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

EFFECTIVE DATE. This section is effective for sales and purchases occurring on or after July 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 297A.83, subdivision 1, is amended to read:

Subdivision 1. **Persons applying.** (a) A retailer required to collect and remit sales taxes under section 297A.66 or a direct ship winery as defined in section 340A.550 shall file with the commissioner an application for a permit under this section.

(b) A retailer making retail sales from outside this state to a destination within this state who is not required to obtain a permit under paragraph (a) may nevertheless voluntarily file an application for a permit.

(c) The commissioner may require any person or class of persons obligated to file a use tax return under section 289A.11, subdivision 3, to file an application for a permit.

EFFECTIVE DATE. This section is effective for permits applied for after June 30, 2022.

Sec. 4. Minnesota Statutes 2020, section 297G.07, subdivision 1, is amended to read:

Subdivision 1. **Exemptions.** The following are not subject to the excise tax:

- (1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in interstate commerce.
- (2) Alcoholic beverages sold or transferred between Minnesota wholesalers.
- (3) Sales to common carriers engaged in interstate transportation of passengers, except as provided in this chapter.
- (4) Malt beverages served by a brewery for on-premise consumption at no charge, or distributed to brewery employees for on-premise consumption under a labor contract.

~~(5)~~ Shipments of wine to Minnesota residents under section 340A.417.

~~(6)~~ (5) Fruit juices naturally fermented or beer naturally brewed in the home for family use and not sold or offered for sale.

~~(7)~~ (6) Sales of wine for sacramental purposes under section 340A.316.

~~(8)~~ (7) Alcoholic beverages sold to authorized manufacturers of food products or pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture of food products or medicines. For purposes of this clause, "manufacturer" means a person who manufactures food products intended for sale to wholesalers or retailers for ultimate sale to the consumer.

~~(9)~~ (8) Liqueur-filled candy.

~~(10)~~ (9) Sales to a federal agency, that the state of Minnesota is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of Minnesota.

~~(11)~~ (10) Sales to Indian tribes as defined in section 297G.08.

~~(12)~~ (11) Shipments of intoxicating liquor from foreign countries to diplomatic personnel of foreign countries assigned to service in this state.

~~(13)~~ (12) Shipments of bulk distilled spirits or bulk wine to farm wineries licensed under section 340A.315 for input to the final product.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 299A.706, is amended to read:

299A.706 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.

An alcohol enforcement account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account may be appropriated by law for (1) costs of the Alcohol and Gambling Division related to administration and enforcement of sections 340A.403, subdivision 4; 340A.414, subdivision 1a; ~~and~~ 340A.504, subdivision 7; ~~and~~ 340A.550, subdivisions 2, 4, 5, and 6; and (2) costs of the State Patrol.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 6. Minnesota Statutes 2020, section 340A.304, is amended to read:

340A.304 LICENSE SUSPENSION AND REVOCATION.

The commissioner shall revoke, or suspend for up to 60 days, a license issued under section 340A.301 ~~or~~, 340A.302, ~~or~~ 340A.550, or impose a fine of up to \$2,000 for each violation, on a finding that the licensee has violated a state law or rule of the commissioner relating to the possession, sale, transportation, or importation of alcoholic beverages. A license revocation or suspension under this section is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 7. Minnesota Statutes 2020, section 340A.417, is amended to read:

340A.417 WINE SHIPMENTS INTO MINNESOTA.

(a) Notwithstanding section 297G.07, subdivision 2, or any provision of this chapter except for section 340A.550, a winery licensed in a state other than Minnesota, or a winery located in Minnesota, may ship, for personal use and not for resale, not more than ~~two cases~~ 12 cases of wine, containing a maximum of nine liters per case, in any calendar year to any resident of Minnesota age 21 or over. ~~Delivery of a shipment under this section may not be deemed a sale in this state.~~

(b) The shipping container of any wine sent under this section must be clearly marked "Alcoholic Beverages: adult signature (over 21 years of age) required."

(c) It is not the intent of this section to impair the distribution of wine through distributors or importing distributors, but only to permit shipments of wine for personal use.

(d) Except for a violation of section 295.75 or chapters 297A and 297G, no criminal penalty may be imposed on a person for a violation of this section or section 340A.550 other than a violation described in paragraph (e) or (f). Whenever it appears to the commissioner that any person has engaged in any act or practice constituting a violation of this section, ~~or section 340A.550~~ and the violation is not within two years of any previous violation of this section, the commissioner shall issue and cause to be served upon the person an order requiring the person to cease and desist from violating this section. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing shall be held not later than ~~seven~~ 20 days after the request for the hearing is received by the commissioner after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument, the commissioner shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(e) Any person who violates this section or section 340A.550 within two years of a violation for which a cease and desist order was issued under paragraph (d), is guilty of a misdemeanor.

(f) Any person who commits a third or subsequent violation of this section or section 340A.550 within any subsequent two-year period is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 8. **[340A.550] DIRECT SHIPMENTS OF WINE; LICENSING, TAXATION, AND RESTRICTIONS.**

Subdivision 1. Definitions. (a) "Direct ship purchaser" means a person who purchases wine for personal use and not for resale from a winery located in a state other than Minnesota for delivery to a Minnesota address.

(b) "Direct ship winery" means a winery licensed in a state other than Minnesota that manufactures and makes a retail sale of wine and ships the wine to a direct ship purchaser as authorized under section 340A.417.

Subd. 2. **License requirements.** (a) A direct ship winery must apply to the commissioner for a direct ship license. The commissioner must not issue a license under this section unless the applicant:

(1) is a licensed winery in a state other than Minnesota and provides a copy of its current license in any state in which it is licensed to manufacture wine;

(2) provides a shipping address list, including all addresses from which it intends to ship wine;

(3) agrees to comply with the requirements of subdivision 4; and

(4) consents to the jurisdiction of the Departments of Public Safety and Revenue, the courts of this state, and any statute, law, or rule in this state related to the administration or enforcement of this section, including any provision authorizing the commissioners of public safety and revenue to audit a direct ship winery for compliance with this and any related section.

(b) A direct ship winery obtaining a license under this section must annually renew its license by January 1 of each year and must inform the commissioner at the time of renewal of any changes to the information previously provided in paragraph (a).

(c) The application fee for a license is \$50. The fee for a license renewal is \$50. The commissioner must deposit all fees received under this subdivision in the alcohol enforcement account in the special revenue fund established under section 299A.706.

Subd. 3. **Direct ship wineries; restrictions.** (a) A direct ship winery may only ship wine from an address provided to the commissioner as required in subdivision 2, paragraph (a), clause (2), or through a third-party provider whose name and address the licensee provided to the commissioner in the licensee's application for a license.

(b) A direct ship winery or its third-party provider may only ship wine from the direct ship winery's own production.

Subd. 4. **Taxation.** A direct ship winery must:

(1) collect and remit the liquor gross receipts tax as required in section 295.75;

(2) apply for a permit as required in section 297A.83 and collect and remit the sales and use tax imposed as required in chapter 297A;

(3) remit the tax as required in chapter 297G; and

(4) provide a statement to the commissioner, on a form prescribed by the commissioner, detailing each shipment of wine made to a resident of this state and any other information required by the commissioner.

Subd. 5. **Private or nonpublic data; classification and sharing.** (a) Data collected, created, or maintained by the commissioner as required under this section are classified as private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12.

(b) The commissioner must share data classified as private or nonpublic under this section with the commissioner of revenue for purposes of administering section 295.75 and chapters 289A, 297A, and 297G.

Subd. 6. **Enforcement; penalties.** Section 340A.417, paragraphs (d), (e), and (f), apply to this section.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 9. **[340A.555] COMMON CARRIER REGULATIONS FOR DIRECT SHIPMENTS OF WINE.**

Subdivision 1. Monthly report required. Each common carrier that contracts with a winery under section 340A.417 for delivery of wine into this state must file with the commissioner a monthly report of known wine shipments made by the carrier. The report must be made in a form and manner as prescribed by the commissioner and must contain:

- (1) the name of the common carrier making the report;
- (2) the period of time covered by the report;
- (3) the name and business address of the consignor;
- (4) the name and address of the consignee;
- (5) the weight of the package delivered to the consignee;
- (6) a unique tracking number; and
- (7) the date of delivery.

Subd. 2. Record availability and retention. Upon written request by the commissioner, any records supporting the report in subdivision 1 must be made available to the commissioner within 30 days of the request. Any records containing information relating to a required report must be retained and preserved for a period of two years, unless destruction of the records prior to the end of the two-year period is authorized in writing by the commissioner. All retained records must be open and available for inspection by the commissioner upon written request. The commissioner must make the required reports available to any law enforcement agency or regulatory body of any local government in the state in which the common carrier making the report resides or does business.

Subd. 3. Penalty. If a common carrier willfully violates the requirement to report a delivery under this section or violates any rule related to the administration and enforcement of this section, the commissioner must notify the common carrier in writing of the violation. The commissioner may impose a fine in an amount not to exceed \$500 for each subsequent violation.

Subd. 4. Exemptions. This section does not apply to common carriers regulated as provided by United States Code, title 49, section 10101, et. seq.; or to rail trailer-on-flatcar/container-on-flatcar (TOFC/COFC) service, as provided by Code of Federal Regulations, title 49, section 1090.1; or highway TOFC/COFC service provided by a rail carrier, either itself or jointly with a motor carrier, as part of continuous intermodal freight transportation, including but not limited to any other TOFC/COFC transportation as defined under federal law.

Subd. 5. Private or nonpublic data; classification and sharing. (a) Data collected, created, or maintained by the commissioner as required under subdivision 1, clauses (4) to (6), are classified as private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12.

(b) The commissioner must share data classified as private or nonpublic under this section with the commissioner of revenue for purposes of administering section 295.75 and chapters 289A, 297A, and 297G.

EFFECTIVE DATE. This section is effective July 1, 2022.

ARTICLE 3
SPECIAL LOCAL LIQUOR LAWS

Section 1. **CITY OF WILLMAR; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Willmar may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a junior league hockey team or to a person holding a concessions or management contract with the city or the team owner for beverage sales at the Willmar Civic Center. The licenses must authorize the dispensing of wine or malt liquor only to persons attending events at the civic center for consumption on the premises. A license issued under this section authorizes sales on all days of the week to persons attending junior hockey league games or other events at the civic center.

EFFECTIVE DATE. This section is effective upon approval by the Willmar City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 2. **CITY OF SAUK RAPIDS; ON-SALE LICENSE.**

(a) Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license to an entity holding a management or concessions contract with the city for operation within Bob Cross Regional Park. The license must authorize the service of intoxicating liquor only to persons attending events scheduled or organized by the entity, for consumption within Bob Cross Regional Park.

(b) Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license to an entity holding a concessions or management contract with the city for operation of a regional event center located within Lions Park or Southside Park. The license must authorize the service of intoxicating liquor only to persons attending events scheduled or organized by the entity, for consumption within Lions Park or Southside Park.

(c) A license issued under this section authorizes sales on all days of the week. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply.

EFFECTIVE DATE. This section is effective upon approval by the Sauk Rapids City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of the State Capitol for both days of the Minnesota Songkran Festival. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

EFFECTIVE DATE. This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 4. **CITY OF ST. CLOUD; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, the city of St. Cloud may issue an on-sale wine license and an on-sale malt liquor license to a city recreation facility known as Whitney Recreation, located at 1529 Northway Drive, that is owned by the city. The license must authorize the dispensing of wine or malt liquor only to

persons attending events anywhere on the property described as Whitney Park. The license may be issued to the city of St. Cloud or to any persons under contract or agreement with the city with respect to the operation of the facilities. The license authorizes sales on all days of the week. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section shall apply.

EFFECTIVE DATE. This section is effective upon approval by the St. Cloud City Council and compliance with Minnesota Statutes, section 645.021.

Delete the title and insert:

"A bill for an act relating to liquor; modifying various provisions regulating the sale and production of intoxicating liquor; modifying various licensing provisions; establishing a liquor regulation advisory council; providing for tax on certain malt beverages; providing for direct shipments of wine; authorizing local licenses; appropriating money; amending Minnesota Statutes 2020, sections 13.6905, by adding a subdivision; 295.75, subdivision 4; 297A.83, subdivision 1; 297G.07, subdivision 1; 299A.706; 340A.101, subdivision 16; 340A.22, subdivisions 1, 2, 4; 340A.28, subdivision 2; 340A.301, subdivision 8; 340A.304; 340A.307, subdivisions 1, 2, 4; 340A.404, subdivisions 1, 1a, 6, 10; 340A.410, subdivision 10; 340A.412, subdivision 14; 340A.417; 340A.504, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 2904, A bill for an act relating to natural resources; appropriating money for accelerated conservation planting, living snow fences, and ash tree replacement.

Reported the same back with the following amendments:

Page 1, line 7, delete "\$....." and insert "\$8,000,000"

Page 1, line 14, delete "\$....." and insert "\$500,000"

Page 1, line 19, delete "\$....." and insert "\$4,000,000"

Page 2, line 4, delete "\$....." and insert "\$10,000,000"

Page 2, after line 18, insert:

"Sec. 4. **SCHOOL TREE PLANTING GRANTS; APPROPRIATION.**

\$1,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of natural resources for grants to schools, including public and private schools, to plant trees on school grounds while providing hands-on learning opportunities for students. A grant application under this section must be prepared jointly with the parent-teacher organization or similar parent organization for the school. This is a onetime appropriation and is available until June 30, 2024."

Amend the title as follows:

Page 1, line 3, delete "ash tree replacement" and insert "tree planting"

With the recommendation that when so amended the bill be re-referred to the Committee on Transportation Finance and Policy.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3162, A bill for an act relating to health; providing for the operation of Tribal medical cannabis programs; establishing dual registration of Tribal patients; providing for transportation of medical cannabis by manufacturers registered with Tribal medical cannabis programs; authorizing Tribal compacts regarding medical cannabis; requiring a report; amending Minnesota Statutes 2020, sections 152.22, subdivisions 3, 7, 9, 10, 13, by adding subdivisions; 152.27, by adding a subdivision; 152.29, subdivisions 2, 4; 152.30; 152.32, subdivision 2; Minnesota Statutes 2021 Supplement, sections 152.22, subdivision 11; 152.29, subdivisions 1, 3; 152.31; proposing coding for new law in Minnesota Statutes, chapter 152.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 5d. **Indian lands.** "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota title which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

Sec. 2. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 15. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by each Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

Sec. 3. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 16. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

Sec. 4. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 17. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal Nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal Nation's Tribal medical cannabis program.

Sec. 5. Minnesota Statutes 2020, section 152.29, subdivision 4, is amended to read:

Subd. 4. **Report.** (a) Each manufacturer shall report to the commissioner on a monthly basis the following information on each individual patient for the month prior to the report:

- (1) the amount and dosages of medical cannabis distributed;
- (2) the chemical composition of the medical cannabis; and
- (3) the tracking number assigned to any medical cannabis distributed.

(b) For transactions involving Tribal medical cannabis program patients, each manufacturer shall report to the commissioner on a weekly basis the following information on each individual Tribal medical cannabis program patient for the week prior to the report:

(1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;

(2) the amount and dosages of medical cannabis distributed;

(3) the chemical composition of the medical cannabis; and

(4) the tracking number assigned to the medical cannabis distributed.

Sec. 6. Minnesota Statutes 2020, section 152.29, is amended by adding a subdivision to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, valid driver's license, or valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 152.22, subdivision 6.

Sec. 7. **[152.291] TRIBAL MEDICAL CANNABIS PROGRAM; MANUFACTURERS.**

Subdivision 1. **Manufacturer.** Notwithstanding the requirements and limitations in section 152.29, subdivision 1, paragraph (a), a Tribal medical cannabis program operated by a federally recognized Indian Tribe located in Minnesota shall be recognized as a medical cannabis manufacturer.

Subd. 2. **Manufacturer transportation.** (a) A manufacturer registered with a Tribal medical cannabis program may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A manufacturer registered with a Tribal medical cannabis program must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

Sec. 8. Minnesota Statutes 2020, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

Sec. 9. Minnesota Statutes 2020, section 152.32, is amended to read:

152.32 PROTECTIONS FOR REGISTRY PROGRAM PARTICIPATION OR PARTICIPATION IN A TRIBAL MEDICAL CANNABIS PROGRAM.

Subdivision 1. **Presumption.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 or a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program is engaged in the authorized use of medical cannabis.

(b) The presumption may be rebutted;

(1) by evidence that a patient's conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition; or

(2) by evidence that a Tribal medical cannabis program patient's use of medical cannabis was not for a purpose authorized by the Tribal medical cannabis program.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program, ~~or~~ possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification; or use or possession of medical cannabis or medical cannabis products by a Tribal medical cannabis program patient;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, members of a Tribal medical cannabis board, the commissioner's or Tribal medical cannabis board's staff, the commissioner's or Tribal medical cannabis board's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for the participation in the registry program under sections 152.22 to 152.37 or in a Tribal medical cannabis program. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient or a Tribal medical cannabis program patient under sections 152.22 to 152.37 may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court, a Tribal court, or the professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37, or for providing legal assistance to a Tribal medical cannabis program.

(j) Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program, or possession of a verification or equivalent issued by a Tribal medical cannabis program by a person entitled to possess such verification, does not constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency.

Subd. 3. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or for the person's status as a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ transplants, a registry program enrollee's use of medical cannabis under sections 152.22 to 152.37, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of any other medication used at the discretion of a physician or advanced practice registered nurse and does not constitute the use of an illicit substance or otherwise disqualify a patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon ~~either~~ any of the following:

(1) the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program; or

~~(2)~~ (3) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by medical cannabis on the premises of the place of employment or during the hours of employment.

(d) An employee who is required to undergo employer drug testing pursuant to section 181.953 may present verification of enrollment in the patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

(e) A person shall not be denied custody of a minor child or visitation rights or parenting time with a minor child solely based on the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or on the person's status as a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program. There shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.37 or under a Tribal medical cannabis program, unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Sec. 10. Minnesota Statutes 2020, section 152.33, subdivision 1, is amended to read:

Subdivision 1. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a manufacturer or an agent of a manufacturer who intentionally transfers medical cannabis to a person other than another registered manufacturer, a patient, a registered designated caregiver, a Tribal medical cannabis program patient, or, if listed on the registry verification, a parent, legal guardian, or spouse of a patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the manufacturer and is disqualified from further participation under sections 152.22 to 152.37."

Delete the title and insert:

"A bill for an act relating to health; allowing manufacturers to distribute medical cannabis to Tribal medical cannabis program patients; providing for transportation of medical cannabis by manufacturers registered with a Tribal medical cannabis program; extending certain protections; modifying a criminal penalty; amending Minnesota Statutes 2020, sections 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 152."

With the recommendation that when so amended the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Nelson, M., from the Committee on State Government Finance and Elections to which was referred:

H. F. No. 3285, A bill for an act relating to local government; authorizing online process for county land sales; modifying notice procedures for land sales; amending Minnesota Statutes 2020, section 373.01, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 373.01, subdivision 1, is amended to read:

Subdivision 1. **Public corporation; listed powers.** (a) Each county is a body politic and corporate and may:

- (1) Sue and be sued.
- (2) Acquire and hold real and personal property for the use of the county, and lands sold for taxes as provided by law.
- (3) Purchase and hold for the benefit of the county real estate sold by virtue of judicial proceedings, to which the county is a party.
- (4) Sell, lease, and convey real or personal estate owned by the county, and give contracts or options to sell, lease, or convey it, and make orders respecting it as deemed conducive to the interests of the county's inhabitants.
- (5) Make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers.

(b) No sale, lease, or conveyance of real estate owned by the county, except the lease of a residence acquired for the furtherance of an approved capital improvement project, nor any contract or option for it, shall be valid, without first advertising for bids or proposals in the official newspaper of the county for three consecutive weeks, on the county's website, and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time ~~and~~ place, and manner of considering ~~the~~ and accepting proposals, contain a legal description of any real estate, and a brief description of any personal property. After publication in the official newspaper, county website, and relevant newspaper of general circulation, bids may be solicited and accepted by the online auction process authorized in section 471.345, subdivision 17. Leases and proposals that do not exceed \$15,000 for any one year may be negotiated and are not subject to the competitive bid procedures of this section. All proposals estimated to exceed \$15,000 in any one year shall be considered at the time set for ~~the bid opening~~ accepting proposals, and the one most favorable to the county accepted, but the county board may, in the interest of the county, reject any or all proposals.

(c) Sales of personal property the value of which is estimated to be \$15,000 or more shall be made only after advertising for bids or proposals in the county's official newspaper, on the county's website, or in a recognized industry trade journal. At the same time it posts on its website or publishes in a trade journal, the county must publish in the official newspaper, either as part of the minutes of a regular meeting of the county board or in a separate notice, a summary of all requests for bids or proposals that the county advertises on its website or in a trade journal. After publication in the official newspaper, on the website, or in a trade journal, bids or proposals may be solicited and accepted by the electronic selling process authorized in section 471.345, subdivision 17. Sales of personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board. "Website" means a specific, addressable location provided on a server connected to the Internet and hosting World Wide Web pages and other files that are generally accessible on the Internet all or most of a day.

(d) Notwithstanding anything to the contrary herein, the county may, when acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels shall be determined by the county assessor.

(e) Notwithstanding anything in this section to the contrary, the county may, when acquiring real property for purposes other than county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels must be determined by the county assessor or a private appraisal performed by a licensed Minnesota real estate appraiser. For the purpose of determining for the county the estimated values of parcels proposed to be exchanged, the county assessor need not be licensed under chapter 82B. Before giving final approval to any exchange of land, the county board shall hold a public hearing on the exchange. At least two weeks before the hearing, the county auditor shall post a notice in the auditor's office and the official newspaper of the county of the hearing that contains a description of the lands affected.

(f) If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

(g) A county or its agent may rent a county-owned residence acquired for the furtherance of an approved capital improvement project subject to the conditions set by the county board and not subject to the conditions for lease otherwise provided by paragraph (a), clause (4), and paragraphs (b), (c), (d), (f), and (h).

(h) In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether mineral is removed or not. Prospecting options for mining leases may be granted for periods not exceeding one year. The options shall require, among other things, periodical showings to the county board of the results of exploration work done.

(i) Notwithstanding anything in this subdivision to the contrary, the county may, when selling real property owned in fee simple that cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage, or access, proceed to sell the nonconforming parcel without advertising for bid. At the county's discretion, the real property may be restricted to sale to adjoining landowners or may be sold to any other interested party. The property shall be sold to the highest bidder, but in no case shall the property be sold for less than 90 percent of its fair market value as determined by the county assessor. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days before the sale. This paragraph shall be liberally construed to encourage the sale of nonconforming real property and promote its return to the tax roles."

Delete the title and insert:

"A bill for an act relating to local government; authorizing online process for county land sales; modifying notice procedures for land sales; amending Minnesota Statutes 2020, section 373.01, subdivision 1."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3395, A bill for an act relating to labor; modifying Public Employment Relations Board data; appropriating money; amending Minnesota Statutes 2020, sections 13.43, subdivision 6; 179A.041, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Nelson, M., from the Committee on State Government Finance and Elections to which was referred:

H. F. No. 3542, A bill for an act relating to state government finance; adjusting the calculation for the stadium general reserve account; requiring the commissioner of management and budget to notify the legislature before making changes to the stadium general reserve account; establishing a stadium refinance fund; transferring money; requiring the stadium refinance fund balance be used to redeem or defease the stadium appropriation bonds; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2020, section 297E.021, subdivision 4, is amended to read:

Subd. 4. **Appropriation; general reserve account.** (a) To the extent the commissioner determines that revenues are available under subdivision 3 for the fiscal year, those amounts are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget. Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 297A.994 or, after consultation with the Legislative Advisory Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the commissioner of management and budget for other uses related to the stadium authorized under section 473J.03, subdivision 8, that the commissioner of management and budget deems financially prudent including but not limited to reimbursements for capital and operating costs relating to the stadium, refundings, and prepayment of debt. In no event, shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under section 16A.965.

(b) If the balance in the general reserve account exceeds the greater of an amount equal to the stadium-related expenses calculated under subdivision 3, clause (1), in the last budget and economic forecast or \$44,000,000 at the time the commissioner is seeking to refund bonds issued under section 16A.965, the commissioner of management

and budget must analyze the financial benefit to the state of applying the excess amount to the refunding transaction to defease and prepay bonds. The analysis shall compare the estimated level of savings that could be achieved by applying the excess general reserve account balance to a bond prepayment to the estimated level of savings that would be achieved without the use of the general reserve account. The commissioner must use this analysis to make a final determination on use of the general reserve account in connection with a bond refunding or prepayment. The commissioner must consult with the Legislative Advisory Commission before making a final determination under this paragraph.

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

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "directing the commissioner of management and budget to make a determination on use of general reserve account in connection with refunding or prepayment of stadium"

Page 1, delete lines 3 to 6

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 3560, A bill for an act relating to health; modifying requirements for specialty and guest dentist licensure; modifying requirements for display of and procedure for licenses and registration certificates; providing dental therapy licensure by credentials; modifying application and initial fees; providing civil penalties; amending Minnesota Statutes 2020, sections 150A.06, subdivisions 1c, 2c, 6, by adding a subdivision; 150A.09; 150A.091, subdivisions 1, 2, 5, 8, 9, by adding subdivisions; repealing Minnesota Statutes 2020, section 150A.091, subdivisions 3, 15, 17.

Reported the same back with the following amendments:

Page 6, delete section 6

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 3595, A bill for an act relating to health; providing for the regulation of certain products containing cannabinoids; limiting the sale of products containing cannabinoids to individuals 21 years of age or older; requiring labeling of cannabinoid products to contain a barcode or matrix barcode; providing additional requirements for edible cannabinoid products; modifying definition of food; establishing that products containing cannabinoids that meet the regulation requirements are not controlled substances; amending Minnesota Statutes 2020, sections 34A.01, subdivision 4; 151.72, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.02, subdivision 2; Minnesota Statutes 2021 Supplement, section 151.72, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 19, delete "drunk" and insert "consumed as a beverage"

Page 3, line 16, after "mold" insert ", residual solvents"

Page 4, line 29, after "contain" insert "cartoon-like"

Page 4, line 30, after "fruit" insert "that appeals to children"

Page 5, line 1, after "applying" insert "an" and delete "tetrahydrocannabinol" and insert "hemp-derived cannabinoid"

Page 5, line 3, delete "tetrahydrocannabinol" and insert "a hemp-derived cannabinoid"

Page 5, line 14, delete "drunk" and insert "consumed as a beverage"

Page 5, line 26, delete "2.5" and insert "five"

Page 5, line 27, delete "and 50 milligrams of cannabidiol"

Page 5, line 28, delete "25" and insert "50" and delete "and 500 milligrams of cannabidiol"

Page 6, line 2, delete "covered" and insert "regulated"

Page 6, line 14, after "tetrahydrocannabinol" insert "or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f)"

Page 6, line 15, after "mold," insert "residual solvents,"

Page 6, line 16, strike "sold" and insert "regulated"

With the recommendation that when so amended the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Pelowski from the Committee on Industrial Education and Economic Development Finance and Policy to which was referred:

H. F. No. 3605, A bill for an act relating to broadband; establishing a program of financial assistance to extend broadband service to unserved areas; establishing a process to allow existing easements to be used for broadband service; amending Minnesota Statutes 2020, section 116J.396, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 116J.395, subdivision 8, is amended to read:

Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of Broadband Development shall publish on the Department of Employment and Economic Development's website and provide to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over broadband:

(1) a list of all applications for grants under this section received during the previous year and, for each application:

~~(1)~~ (i) the results of any quantitative weighting scheme or scoring system the commissioner used to award grants or rank the applications;

~~(2)~~ (ii) the grant amount requested; and

~~(3)~~ (iii) the grant amount awarded, if any; and

(2) with respect to the line extension program under section 116J.3951:

(i) the number of addresses submitted to the portal;

(ii) the number of addresses served or to be served under the line extension program;

(iii) the average cost to the state per address served under the line extension program; and

(iv) the total amount expended under the line extension program.

Sec. 2. **[116J.3951] BROADBAND LINE EXTENSION PROGRAM.**

Subdivision 1. **Program established.** A broadband line extension grant program is established in the Department of Employment and Economic Development. The purpose of the broadband line extension grant program is to award grants to eligible applicants in order to extend existing broadband infrastructure to unserved locations.

Subd. 2. **Portal.** No later than November 1, 2022, the department must develop and implement a portal on the department's website that allows a person to report (1) that broadband service is unavailable at the physical address of the person's residence or business, and (2) any additional information the department deems necessary to ensure the broadband line extension grant program functions effectively. The department must develop a form that allows the information identified in this subdivision to be submitted on paper.

Subd. 3. **Data sharing.** (a) Beginning no later than six months after the date the portal is implemented and every six months thereafter, the department must send via e-mail to each broadband service provider serving Minnesota customers (1) a list of addresses submitted to the portal under subdivision 2 during the previous six months, and (2) any additional information the department deems necessary to ensure the broadband line extension grant program functions effectively.

(b) No later than ten days after the date the list in paragraph (a) is provided, a broadband service provider may notify the department of any posted address at which the broadband service provider's broadband service is available. The department must provide persons residing or doing business at those addresses with contact information for:

(1) a broadband service provider whose broadband service is available at that address; and

(2) programs administered by government agencies, nonprofit organizations, or the applicable broadband service provider that reduce the cost of broadband service and for which the persons may be eligible.

Subd. 4. **Reverse auction process.** (a) No later than ten days after the date the notice requirement in subdivision 3, paragraph (b), expires, the department must notify each broadband service provider that the broadband service provider may participate in the reverse auction process established under this subdivision. Within 60 days of the date the notification is received, a broadband service provider may submit a bid to the department to extend the broadband service provider's existing broadband infrastructure to one or more addresses where broadband service is currently unavailable.

(b) A bid submitted under this subdivision must include:

(1) a proposal to extend broadband infrastructure to one or more of the addresses on the list sent by the department to the broadband service provider under subdivision 3, paragraph (a), at which broadband service is unavailable;

(2) the amount of the broadband infrastructure extension's total cost that the broadband service provider proposes to pay;

(3) the amount of the broadband infrastructure extension's total cost that the broadband service provider proposes that the department is responsible for paying; and

(4) any additional information required by the department.

(c) Financial assistance that the department provides under this section must be in the form of a grant issued to the broadband service provider. A grant issued under this section must not exceed \$25,000 per line extension.

(d) Within 60 days of the date the bidding period closes, the department must review the bids submitted and select the broadband service provider bids that request the least amount of financial support from the department, provided that the department determines that the selected bids represent a cost-effective expenditure of state resources.

Subd. 5. **Line extension agreement; requirement.** The department must enter into a line extension agreement with each winning bidder identified under subdivision 4, except that the department may not enter into a line extension agreement to serve any customer who is to be served under a grant previously awarded by the department under section 116J.395.

Subd. 6. **Line extension agreement.** A line extension agreement under subdivision 5 must contain the following terms:

(1) the broadband service provider agrees to extend broadband infrastructure to support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload to each address included in the broadband service provider's winning bid;

(2) the department agrees to pay the portion of the line extension cost proposed by the broadband service provider in subdivision 4 in a grant issued to the broadband service provider upon the completion of the broadband infrastructure extension to each address in the broadband service provider's winning bid; and

(3) the winning bidder has an exclusive right to apply the grant to the cost of the broadband infrastructure extension for a period of one year after the date the agreement is executed.

Subd. 7. **Expenditure limit.** The department may expend no more than \$5,000,000 per fiscal year on the line extension program under this section in fiscal years 2023, 2024, and 2025.

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

Sec. 3. Minnesota Statutes 2020, section 116J.396, subdivision 2, is amended to read:

Subd. 2. **Expenditures.** Money in the account may be used only:

(1) for grant awards made under ~~section~~ sections 116J.395 and 116J.3951, including costs incurred by the Department of Employment and Economic Development to administer ~~that section~~ those sections;

(2) to supplement revenues raised by bonds sold by local units of government for broadband infrastructure development; or

(3) to contract for the collection of broadband deployment data from providers and the creation of maps showing the availability of broadband service.

Sec. 4. **[116J.399] BROADBAND EASEMENTS.**

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

(1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph (c);

(2) "broadband service" has the meaning given in section 116J.394, paragraph (b); and

(3) "provider" means a broadband service provider, but does not include an electric cooperative association organized under chapter 308A that provides broadband service.

Subd. 2. **Use of existing easements for broadband services.** (a) A provider or provider's affiliate, or another entity that has entered into an agreement with a provider, may use the provider, affiliate, or entity's existing or subsequently acquired easement to install broadband infrastructure and provide broadband service, which may include an agreement to lease fiber capacity.

(b) Before exercising rights granted under this subdivision, a provider must provide notice to the owner of the property on which the easement is located, as described in subdivision 3.

(c) Use of an easement to install broadband infrastructure and provide broadband service vests and runs with the land beginning six months after the first notice is provided under subdivision 3, unless a court action challenging the use of the easement has been filed before that time by the property owner, as provided under subdivision 4. The provider must also file copies of the notices with the county recorder.

Subd. 3. Notice to property owner. (a) A provider must send two written notices to impacted property owners declaring that the provider intends to use the easements to install broadband infrastructure and provide broadband service. The notices must be sent by first class mail and at least two months apart to the last known address of the owner of the property on which the easement is located or, if the property owner is an existing customer of the provider, by separate printed insertion in the property owner's monthly invoice or included as a separate page on the property owner's electronic invoice.

(b) The notice must include:

(1) the provider's name and mailing address;

(2) a narrative describing the nature and purpose of the intended easement use;

(3) a description of any trenching or other underground work expected to be required to install broadband infrastructure and provide broadband service, and the anticipated time frame for the work;

(4) a phone number for an employee of the provider that the property owner may contact regarding the easement; and

(5) the following statement, in bold red lettering: "It is important to make any challenge by the deadline to preserve any legal rights you may have."

(c) The provider must file copies of the notices with the county recorder.

Subd. 4. Action for damages. (a) Notwithstanding any other law to the contrary, this subdivision governs an action under this section and is the exclusive means to bring a claim for compensation with respect to a notice of intent to use a provider's existing easement to install broadband infrastructure and provide broadband service.

(b) Within six months after the date the first notice is sent under subdivision 3, a property owner may file an action seeking to recover damages for a provider's proposed use of an existing easement to install broadband infrastructure and provide broadband service. Claims for damages under \$15,000 may be brought in conciliation court.

(c) To initiate an action under this subdivision, a property owner must serve a complaint upon the provider in the same manner as in a civil action and must file the complaint with the district court for the county in which the easement is located. The complaint must state whether the property owner:

(1) challenges the provider's right to use the easement to install broadband infrastructure and provide broadband service, as provided under subdivision 5, paragraph (a);

(2) seeks damages as provided under subdivision 5, paragraph (b); or

(3) seeks to proceed under both clauses (1) and (2).

Subd. 5. Deposit and hearing required. (a) If a property owner files a complaint challenging a provider's right to use an easement to install broadband infrastructure and provide broadband service, after the provider answers the complaint, the district court must promptly hold a hearing on the complaint. If the district court denies the property owner's complaint, the provider may proceed to use the easement to install broadband infrastructure and provide broadband service, unless the complaint also seeks damages. If the complaint seeks damages, the provider may proceed under paragraph (b).

(b) If a property owner files a claim for damages, a provider may, after answering the complaint, deposit with the court administrator an amount equal to the provider's estimate of damages. A provider's estimate of damages must be no less than \$1. After the estimated damages are deposited, the provider may use the existing easement to install broadband infrastructure and provide broadband service, conditioned on an obligation, filed with the court administrator, to pay the amount of damages determined by the court.

Subd. 6. Calculation of damages; burden of proof. (a) In an action under this section involving a property owner's claim for damages:

(1) the property owner has the burden to prove the existence and amount of any net reduction in the fair market value of the property, considering the existence, installation, construction, maintenance, modification, operation, repair, replacement, or removal of broadband infrastructure in the easement, adjusted to reflect any increase in the property's fair market value resulting from access to broadband service;

(2) a court is prohibited from awarding consequential or special damages; and

(3) evidence of estimated revenue, profits, fees, income, or similar benefits accruing to the provider, the provider's affiliate, or a third party as a result of use of the easement is inadmissible.

(b) Any fees or costs incurred as a result of an action under this subdivision must be paid by the party that incurred the fees or costs, except that a provider is responsible for a property owner's attorney fees if the final judgment or award of damages by the court exceeds 140 percent of the provider's damage deposit made under subdivision 5, if applicable.

Subd. 7. No limits on existing easement. Nothing in this section limits in any way a provider's existing easement rights.

Subd. 8. Local governmental right-of-way management preserved. The placement of broadband infrastructure to provide broadband service under subdivisions 2 to 7 is subject to local government permitting and right-of-way management authority under section 237.163, and must be coordinated with the relevant local government unit in order to minimize potential future relocations. The provider must notify a local government unit prior to placing infrastructure for broadband service in an easement that is in or adjacent to the local government unit's public right-of-way.

Subd. 9. Railroad rights-of-way crossings. The placement of broadband infrastructure to provide broadband service under this section or section 308A.201, subdivision 12, in any portion of an existing easement located in a railroad right-of-way is subject to sections 237.04 and 237.045.

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

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Judiciary Finance and Civil Law.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 3611, A bill for an act relating to insurance; setting requirements for calculating an enrollee's contribution toward an out-of-pocket maximum or cost sharing; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reported the same back with the following amendments:

Page 1, line 15, delete "2022" and insert "2023"

With the recommendation that when so amended the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3845, A bill for an act relating to children and families; establishing the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; appropriating money for the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; proposing coding for new law in Minnesota Statutes, chapters 13; 260C.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 3873, A bill for an act relating to health; modifying renovation and lead hazard reduction provisions; amending Minnesota Statutes 2020, sections 144.9501, subdivisions 26a, 26b; 144.9505, subdivisions 1, 1h; Minnesota Statutes 2021 Supplement, section 144.9501, subdivision 17.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Long from the Committee on Climate and Energy Finance and Policy to which was referred:

H. F. No. 3944, A bill for an act relating to energy; responding to the polar vortex in February 2021; allowing a refundable tax credit for excess energy costs due to extreme cold weather in February 2021; requiring utilities to disclose certain information; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. POLAR VORTEX RESPONSE; DISCLOSURE OF COSTS; REIMBURSEMENT FOR RESERVE FUNDS.

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

(b) "Critical period" means the period beginning February 12, 2021, and ending February 17, 2021.

(c) "Incremental cost" means the incremental cost of natural gas purchased during the critical period, calculated by multiplying the utility's incremental price by its impacted volume.

(d) "Incremental price" means the average unit price a utility paid for natural gas purchased for immediate delivery during the critical period, minus the average natural gas unit price for wholesale natural gas the utility paid during the period between February 5, 2021, and February 10, 2021.

(e) "Impacted volume" means the volume of natural gas a utility purchased for immediate delivery in Minnesota during the critical period.

(f) "Utility" means a nonprofit municipal utility established under Minnesota Statutes, chapter 412, that (1) is owned by the city to which it provides service, and (2) sells natural gas to retail customers in Minnesota.

Subd. 2. **Utilities must disclose increased energy costs.** No later than July 1, 2022, a utility must calculate, for each of its customers that received natural gas service during the critical period, the incremental price multiplied by the volume of natural gas consumed by the customer during the critical period. The utility must certify and forward that calculation in a written notice to each customer.

Subd. 3. **Reimbursement for reserve revenues.** A utility that paid for wholesale natural gas purchased during the critical period, in whole or in part, by drawing down accumulated reserve revenues may apply to the commissioner of commerce for a rebate equal to its incremental cost minus any payment of its incremental cost by natural gas customers. The commissioner shall require a utility to submit evidence supporting the rebate request amount with a rebate application.

Subd. 4. **Appropriation.** \$35,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of commerce for the purpose of making rebates to municipal utilities under subdivision 3. This is a onetime appropriation. Any unexpended funds remaining on December 31, 2022, cancel to the general fund.

Sec. 2. TAX CREDIT FOR EXCESS ENERGY COSTS DUE TO THE POLAR VORTEX.

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

(b) "Excess energy costs" means the amount of energy costs disclosed to a taxpayer by a utility under section 1, subdivision 2.

(c) The definitions in section 1, subdivision 1, and Minnesota Statutes, section 290.01, apply for this section.

Subd. 2. **Credit allowed.** (a) An individual income taxpayer is allowed a credit against the tax due under Minnesota Statutes, chapter 290, equal to the amount of the taxpayer's excess energy costs.

(b) Credits allowed to a partnership, a limited liability company taxed as a partnership, or an S corporation are passed through pro rata to the partners, members, or shareholders based on their share of the entity's income for the taxable year.

Subd. 3. **Credit refundable.** (a) If the amount of credit which a taxpayer would be eligible to receive under this section exceeds the claimant's tax liability under Minnesota Statutes, chapter 290, the excess amount of the credit shall be refunded to the claimant by the commissioner of revenue.

(b) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner of revenue from the general fund.

Subd. 4. **Denial of double benefit.** For a taxpayer who deducted excess energy costs in calculating adjusted gross income and claimed the credit under this section, the amount of excess energy costs is an addition, as defined in Minnesota Statutes, section 290.0131, subdivision 1. The rules governing additions in that section apply for this subdivision.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020, and before January 1, 2022.

Sec. 3. **ESTABLISHMENT OF ACCOUNT.**

The polar vortex restitution account is established in the special revenue fund of the state treasury. The commissioner of management and budget shall manage the account and shall credit to the account all appropriations and transfers to the account. Funds remaining in the account at the end of a fiscal year do not cancel to the general fund but remain in the account until expended.

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

Sec. 4. **APPROPRIATION; CUSTOMERS OF PUBLIC UTILITIES.**

\$...... in fiscal year 2023 is appropriated from the general fund to the commissioner of management and budget for deposit in the polar vortex restitution account established in section 3 for the purpose of distributing the funds to public utilities, as defined in Minnesota Statutes, section 216B.02, subdivision 4, in order to mitigate the price impacts on customers who received natural gas service during the critical period, as defined in section 1. The Public Utilities Commission shall issue orders determining the amount of each public utility's prudently incurred expenses during the critical period and the commissioner of management and budget shall distribute the money to public utilities in a grant according to the terms of the orders. This is a onetime appropriation.

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

Delete the title and insert:

"A bill for an act relating to energy; responding to the polar vortex in February 2021; allowing a refundable individual income tax credit for excess energy costs due to extreme cold weather in February 2021; requiring utilities to disclose certain information; providing certain grants to public utilities; appropriating money."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4031, A bill for an act relating to insurance; providing for modification or suspension of certain requirements in specific instances; amending Minnesota Statutes 2020, section 61A.02, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 61A.02, is amended by adding a subdivision to read:

Subd. 7. **Regulatory flexibility.** (a) Notwithstanding any other requirement of this section, the commissioner may authorize long-term care insurance to be sold as part of or in conjunction with life insurance, where that type of policy:

(1) is not permitted under current law;

(2) represents an innovative and reasonable approach to provide both life insurance and long-term care insurance;

(3) provides reasonable coverage; and

(4) is in the best interest of insureds.

(b) The insurer filing for authorization under this section must demonstrate that the proposed type of policy satisfies the requirements of paragraph (a)."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before the semicolon and insert "allowing life insurance policies that provide coverage for long-term care to be authorized in certain instances"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Schultz from the Committee on Human Services Finance and Policy to which was referred:

H. F. No. 4065, A bill for an act relating to human services; recodifying long-term care consultation services; amending Minnesota Statutes 2020, sections 144.0724, subdivision 11; 256.975, subdivisions 7a, 7b, 7c, 7d; 256B.051, subdivision 4; 256B.0646; 256B.0659, subdivision 3a; 256B.0911, subdivisions 1, 3c, 3d, 3e, by adding subdivisions; 256B.0913, subdivision 4; 256B.092, subdivisions 1a, 1b; 256B.0922, subdivision 1; 256B.49, subdivisions 12, 13; 256S.02, subdivisions 15, 20; 256S.06, subdivisions 1, 2; 256S.10, subdivision 2; Minnesota Statutes 2021 Supplement, sections 144.0724, subdivisions 4, 12; 256B.49, subdivision 14; 256B.85, subdivisions 2, 5; 256S.05, subdivision 2; repealing Minnesota Statutes 2020, section 256B.0911, subdivisions 2b, 2c, 3, 3b, 3g, 4d, 4e, 5, 6; Minnesota Statutes 2021 Supplement, section 256B.0911, subdivisions 1a, 3a, 3f.

Reported the same back with the following amendments:

Page 9, line 12, delete "integrated" and insert "coordinated"

Page 10, line 31, after "representative" insert ", if any,"

Page 21, line 2, after "plan" insert ". The county must document its compliance with the local objectives"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 4113, A bill for an act relating to health; modifying the mental health cultural community continuing education grant program; amending Laws 2021, First Special Session chapter 7, article 3, section 44.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Pinto from the Committee on Early Childhood Finance and Policy to which was referred:

H. F. No. 4120, A bill for an act relating to agriculture; increasing funding for farm-to-school grants; authorizing reimbursement of child care providers who purchase from local farmers; appropriating money; amending Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Agriculture Finance and Policy.

The report was adopted.

Mariani from the Committee on Public Safety and Criminal Justice Reform Finance and Policy to which was referred:

H. F. No. 4200, A bill for an act relating to public safety; establishing a public safety innovation board; providing for community safety grants; providing for law enforcement grants and policy; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 214.10, subdivision 10; 626.843, by adding a subdivision; 626.8473, subdivision 3; 626.89, subdivision 17; Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
COMMUNITY SAFETY GRANTS

Section 1. **[299A.625] PUBLIC SAFETY INNOVATION BOARD.**

Subdivision 1. **Establishment.** The Public Safety Innovation Board is established in the Office of Justice Programs within the Department of Public Safety. The board has the powers and duties described in this section.

Subd. 2. **Membership.** (a) The Public Safety Innovation Board is composed of the following members:

(1) three individuals with experience conducting research in the areas of crime, policing, or sociology while employed by an academic or nonprofit entity, appointed by the governor;

(2) five individuals appointed by the governor of whom:

(i) one shall be a victim of a crime or an advocate for victims of crime;

(ii) one shall be a person impacted by the criminal justice system or an advocate for defendants in criminal cases; and

(iii) one shall have a background in social work;

(3) four members representing the community-specific boards established under sections 3.922 and 15.0145, with one appointment made by each board; and

(4) three members representing law enforcement, with one appointment by the Minnesota Sheriffs' Association, one by the Minnesota Chiefs of Police Association, and one by the Minnesota Police and Peace Officers Association.

(b) The members of the board shall elect one member to serve as chair.

Subd. 3. **Terms; removal; vacancy.** (a) Members are appointed to serve three-year terms following the initial staggered-term lot determination and may be reappointed.

(b) Initial appointment of members must take place by July 1, 2022. The initial term of members appointed under paragraph (a) shall be determined by lot by the secretary of state and shall be as follows:

(1) five members shall serve one-year terms;

(2) five members shall serve two-year terms; and

(3) five members shall serve three-year terms.

(c) A member may be removed by the appointing authority at any time for cause, after notice and hearing.

(d) If a vacancy occurs, the appointing authority shall appoint a new qualifying member within 90 days.

(e) Compensation of board members is governed by section 15.0575.

Subd. 4. **Powers and duties.** The board shall improve public safety by increasing the efficiency, effectiveness, and capacity of public safety providers and has the following powers and duties:

(1) monitoring trends in crime within Minnesota;

(2) reviewing research on criminal justice and public safety;

(3) providing information on criminal trends and research to the commissioner, municipalities, and the legislature;

(4) awarding grants;

(5) evaluating grant applications to assure compliance with evidence-based practices;

(6) assuring an efficient and expeditious distribution of grant funds; and

(7) working with the Minnesota Statistical Analysis Center to identify appropriate outcomes to track on an annual basis for both programs receiving grants and local communities for the purpose of monitoring trends in public safety and the impact of specific programmatic models.

Subd. 5. **Meetings.** The board shall meet at least monthly. Meetings of the board are subject to chapter 13D.

Subd. 6. **Report.** The board shall report to the legislative committees and divisions with jurisdiction over public safety on the work of the board; the implementation, use, and administration of grant programs under the board's jurisdiction; all grants issued by the Office of Justice Programs to local law enforcement agencies for portable recording systems; the outcomes tracked on an annual basis by the Minnesota Statistical Analysis Center; and a summary and analysis of the evaluation programs completed by grant recipients in the previous year.

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

Sec. 2. **OFFICE OF JUSTICE PROGRAMS; EXPANSION; APPROPRIATION.**

(a) \$4,852,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety to increase staffing in the Office of Justice Programs, work to simplify grant procedures, and expand the pool of grant applicants. Money must be used as provided in paragraphs (b) to (f).

(b) The commissioner shall hire at least eight additional staff members to provide training and technical assistance to grantees and potential grantees. Technical assistance must include training on grant applications and programmatic elements required to qualify for grants. The additional staff must hold weekly meetings in communities around the state to provide information about the Office of Justice Programs, available grants, and grant processes and requirements, and to receive feedback on the needs of communities in order to inform the policies and practices of the Office of Justice Programs.

(c) The commissioner shall hire 12 additional community outreach specialists to leverage relationships, knowledge, and experience in different communities. The community outreach specialists shall make suggested changes to the practices and procedures of the Office of Justice Programs to make them more accessible.

(d) The commissioner shall hire grant capacity trainers to implement the suggestions of the community outreach specialists to continually expand the reach of the new training and meet the needs identified by communities.

(e) The commissioner shall increase the funding of the Minnesota Statistical Analysis Center to create a uniform evaluation program for all grantees.

(f) The commissioner shall hire additional grant compliance and financial compliance staff to support the Office of Justice Programs and grantees in meeting state and federal requirements and audits.

Sec. 3. **LOCAL COMMUNITY INNOVATION GRANTS.**

Subdivision 1. **Appropriation.** \$55,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for local community innovation grants administered by the Office of Justice Programs as directed by the Public Safety Innovation Board. The base for this appropriation is \$30,000,000 in fiscal year 2024 and beyond except that beginning in fiscal year 2025 it shall be adjusted by a percentage equal to the 12-month percentage change in the Consumer Price Index as released in the previous January. Any unencumbered grant balances at the end of the fiscal year do not cancel but are available for grants in the following year.

Subd. 2. Definitions. (a) As used in this section, the following terms have the meanings given.

(b) "Community violence interruption" means a program that works with other organizations and persons in the community to develop community-based responses to violence that use and adapt critical incident response methods, provide targeted interventions to prevent the escalation of violence after the occurrence of serious incidents, and de-escalate violence with the use of community-based interventions. The programs may work with local prosecutorial offices to provide an alternative to adjudication through a restorative justice model.

(c) "Co-responder teams" means a partnership between a group or organization that provides mental health or crisis-intervention services and local units of government or Tribal governments that:

- (1) provides crisis-response teams to de-escalate volatile situations;
- (2) responds to situations involving a mental health crisis;
- (3) promotes community-based efforts designed to enhance community safety and wellness; or
- (4) supports community-based strategies to interrupt, intervene in, or respond to violence.

(d) "Qualified local government entity" means a city or town, or a federally recognized Indian Tribe with a law enforcement agency that reports statistics on crime rates.

(e) "Restorative justice program" has the meaning given in Minnesota Statutes, section 611A.775, and includes Native American sentencing circles.

Subd. 3. Expedited disbursement. (a) Application materials for grants issued under this section must be prepared and made available to the public within three months of an appropriation being made to fund the grants.

(b) Applications must be received and reviewed, and awards must be made within six months of an appropriation being made to fund the grants.

Subd. 4. Eligible applicants; identification and notice. (a) The commissioner of public safety shall publish the following lists by August 1 of each year:

(1) the qualified local government entities with at least three recorded violent crimes in the previous fiscal year and the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(2) the counties with the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(3) the qualified local government entities that are not included in the list generated pursuant to clause (1) and have experienced at least three recorded violent crimes in the previous fiscal year and the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System; and

(4) the counties that are not included in the list generated pursuant to clause (2) and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System.

(b) A county or qualified local government entity identified in any list produced pursuant to paragraph (a), clauses (1) to (4), may apply for a grant under this section. A listed county or qualified local government entity that reports statistics on crime rates may apply as part of a multijurisdictional collaboration with counties or local government entities that are not listed provided the portion of programs or services provided through the grant funding that are performed in the listed county or qualified local government entity is at least equal to its proportion of the membership of the multijurisdictional collaboration.

(c) The commissioner of public safety shall notify every county and qualified local government entity identified in any list published pursuant to paragraph (a), clauses (1) to (4), of its eligibility for a grant under this section within three business days of publication.

Subd. 5. **Grant distribution.** (a) Half of the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (1) or (2).

(b) Half the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (3) or (4).

Subd. 6. **Application materials.** (a) Applicants must submit an application in the form and manner established by the Public Safety Innovation Board.

(b) Applicants must describe the ways in which grant funds will be used to reduce crime in a specific subsection of the county or qualified local government entity through the creation or expansion of:

(1) re-entry programs;

(2) victim services programs;

(3) homelessness assistance programs;

(4) mobile crisis teams and embedded social worker programs;

(5) restorative justice programs;

(6) co-responder programs;

(7) juvenile diversion programs;

(8) community violence interruption programs;

(9) blight elimination programs; or

(10) programs that provide technical assistance to service providers who are doing work that would promote public safety.

Subd. 7. **Awards.** (a) Preference in awarding grants should be given to applicants whose proposals are based on evidence-based practices, provide resources to geographic areas that have been historically underinvested, and incorporate input from community stakeholders.

(b) Grant recipients may use funds to partner with or support other programs.

(c) Grant funds may not be used to fund the activities of law enforcement agencies or offset the costs of counties or qualified local government entities.

(d) Any funds that are not encumbered or spent six years after being awarded must be returned to the commissioner of public safety and awarded as part of a local community innovation grant.

Subd. 8. **Evaluation.** Each grant recipient shall complete a uniform evaluation program established by the Minnesota Statistical Analysis Center every two years.

Sec. 4. EMERGENCY COMMUNITY SAFETY GRANTS.

Subdivision 1. **Appropriation.** \$15,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for grants to crime prevention programs for the purpose of providing public safety to victims. This appropriation is onetime. Any unencumbered balance at the end of fiscal year 2023 does not cancel but is added to the amount available for local community innovation grants.

Subd. 2. **Expedited disbursement; distribution.** The commissioner of public safety must award emergency community safety grants and disburse funds by October 1, 2022. Half of the total amount awarded must be provided to programs that do not involve law enforcement agencies and are for the purposes identified in subdivision 3, paragraph (c), clauses (1) to (8).

Subd. 3. **Eligible recipients.** (a) A county; city; town; local law enforcement agency, including a law enforcement agency of a federally recognized Tribe, as defined in United States Code, title 25, section 450b(e); or a federally recognized Indian Tribe may apply for emergency community safety grants to support crime prevention programs.

(b) A county, city, town, or a federally recognized Indian Tribe may apply as part of a multijurisdictional collaboration with other counties, cities, towns, or federally recognized Indian Tribes.

(c) As used in this section "crime prevention programs" includes but is not limited to:

(1) re-entry programs;

(2) victim services programs;

(3) homelessness assistance programs;

(4) mobile crisis teams and embedded social worker programs;

(5) restorative justice programs;

(6) co-responder programs;

(7) juvenile diversion programs;

(8) community violence interruption programs;

(9) increasing the recruitment of officers by utilizing advertisements, or bonuses or scholarships for peace officers who remain continuously employed as peace officers for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(10) increasing patrols outside of squad cars, on foot or in transportation options that provide more interaction between police and community members;

(11) increasing, establishing, maintaining, or expanding crisis response teams in which social workers or mental health providers are sent as first responders when calls for service indicate that an individual is having a mental health crisis;

(12) establishing, maintaining, or expanding co-responder teams;

(13) purchasing equipment to perform patrols outside of squad cars on foot or in transportation options that provide more interaction between police and community members;

(14) hiring additional non-law-enforcement personnel to conduct functions typically performed by law enforcement with the intent of freeing up additional law enforcement to perform patrols or respond to service calls;

(15) increasing recruitment of additional detectives, investigators, or other individuals with a comparable rank or designation to investigate homicides, nonfatal shootings, or motor vehicle theft, including hiring, on a temporary or permanent basis, retired officers utilizing advertisement, or bonuses or scholarships for peace officers who remain continuously employed as peace officers for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(16) increasing recruitment of additional peace officers to replace officers transferred or promoted to detective, investigator, or a comparable rank and assigned to investigate homicides, nonfatal shootings, or motor vehicle theft;

(17) ensuring retention of peace officers identified as a detective, investigator, or a comparable rank and assigned to investigate homicides and nonfatal shootings;

(18) acquiring, upgrading, or replacing investigative or evidence-processing technology or equipment;

(19) hiring additional evidence-processing personnel;

(20) ensuring that personnel responsible for evidence processing have sufficient resources and training;

(21) hiring and training personnel to analyze violent crime, specifically with regards to the use of intelligence information of criminal networks and the potential for retaliation among gangs or groups, and the geographic trends among homicides, nonfatal shootings, and carjackings;

(22) ensuring that victim services and personnel are sufficiently funded, staffed, and trained;

(23) ensuring that victims and family members of homicides and nonfatal shootings have access to resources, including:

(i) convenient mental health treatment and grief counseling;

(ii) funeral and burial expenses;

(iii) relocation expenses;

(iv) emergency shelter;

(v) emergency transportation; and

(vi) lost wage assistance;

(24) developing competitive and evidence-based programs to improve homicide and nonfatal shooting clearance rates; or

(25) developing best practices for improving access to, and acceptance of, victim services, including those that promote medical and psychological wellness, ongoing counseling, legal advice, and financial compensation.

Subd. 4. **Application for grants.** (a) A crime prevention program may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 3 or for any other emergency assistance purpose approved by the commissioner. The application must be on forms and pursuant to procedures developed by the commissioner. The application must describe the type or types of intended emergency assistance, estimate the amount of money required, and include any other information deemed necessary by the commissioner.

(b) An applicant may not spend in any fiscal year more than five percent of the grant awarded for administrative costs.

(c) Grant recipients may use funds to partner with or support other programs.

Subd. 5. **Reporting by crime prevention programs required.** A crime prevention program that receives a grant under this section shall file a report by February 15, 2023, with the commissioner of public safety itemizing the expenditures made, the purpose of those expenditures, and the ultimate disposition, if any, of each case. The report must be on forms and pursuant to procedures developed by the commissioner.

Sec. 5. **LOCAL CO-RESPONDER GRANTS.**

Subdivision 1. **Appropriation.** \$10,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for grants administered by the Office of Justice Programs as directed by the Public Safety Innovation Board to establish, maintain, or expand the use of co-responder programs that work with law enforcement agencies. Any unencumbered balance at the end of the fiscal year does not cancel but is available in the next fiscal year.

Subd. 2. **Expedited disbursement; distribution.** The Office of Justice Programs as directed by the Public Safety Innovation Board must award local co-responder grants and disburse funds within three months of the appropriation. Half of the total amount awarded must be provided to applicants that are not law enforcement organizations.

Subd. 3. **Eligible recipients.** (a) A county; city; town; local law enforcement agency, including a law enforcement agency of a federally recognized Tribe, as defined in United States Code, title 25, section 450b(e); or a federally recognized Indian Tribe may apply for local co-responder grants for the purposes identified in this subdivision.

(b) A county, city, town, or a federally recognized Indian Tribe may apply as part of a multijurisdictional collaboration with other counties, cities, towns, or federally recognized Indian Tribes.

(c) Qualifying programs must partner with local law enforcement organizations and must include:

(1) embedded social workers;

(2) mobile crisis teams; or

(3) violence interrupters who work with law enforcement agencies.

Subd. 4. **Application for grants.** (a) A co-responder program may apply to the Public Safety Innovation Board for a grant for any of the purposes described in subdivision 3. The application must be on forms and pursuant to procedures developed by the board.

(b) An applicant may not spend in any fiscal year more than five percent of the grant awarded for administrative costs.

(c) Grant recipients may use funds to partner with or support other programs.

Subd. 5. **Reporting by co-responder programs required.** A co-responder program that receives a grant under this section shall file an annual report with the Public Safety Innovation Board itemizing the expenditures made during the preceding year, the purpose of those expenditures, and the impact of the co-responder teams. The report must be on forms and pursuant to procedures developed by the board.

Sec. 6. PUBLIC SAFETY INNOVATION BOARD; APPROPRIATION.

\$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety to establish and maintain the Public Safety Innovation Board.

Sec. 7. OPIATE EPIDEMIC RESPONSE GRANTS.

\$10,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for grants to organizations selected by the Opiate Epidemic Response Advisory Council that provide services to address the opioid addiction and overdose epidemic in Minnesota consistent with the priorities in Minnesota Statutes, section 256.042, subdivision 1, paragraph (a), clauses (1) to (4). Grant recipients must be located outside the seven-county metropolitan area.

ARTICLE 2
LAW ENFORCEMENT GRANTS

Section 1. **TASK FORCE ON ALTERNATIVE COURSES TO PEACE OFFICER LICENSURE.**

Subdivision 1. **Establishment.** The Task Force on Alternative Courses to Peace Officer Licensure is established to increase recruitment of new peace officers, increase the diversity of the racial makeup and professional background of licensed peace officers, promote education and training in community policing models, maintain the high standards of education and training required for licensure, and make policy and funding recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the chair of the Peace Officer Standards and Training Board, or a designee;

(2) a member of the Peace Officer Standards and Training Board representing the general public appointed by the chair of the Peace Officer Standards and Training Board;

(3) the chief of the State Patrol, or a designee;

(4) the superintendent of the Bureau of Criminal Apprehension, or a designee;

(5) the attorney general, or a designee;

(6) the president of the Minnesota Chiefs of Police Association, or a designee;

(7) the president of the Minnesota Sheriffs' Association, or a designee;

(8) a peace officer who is employed by a law enforcement agency of a federally recognized Tribe, as defined in United States Code, title 25, section 450b(e), appointed by the Indian Affairs Council;

(9) the executive director of the Minnesota Police and Peace Officers Association, or a designee;

(10) a peace officer appointed by the executive director of the Minnesota Police and Peace Officers Association;

(11) a member of a civilian review board appointed by the governor;

(12) an attorney who provides legal advice to victims of police brutality or who advocates for civil liberties appointed by the governor;

(13) a representative from an organization that provides direct services to families or communities impacted by police violence appointed by the governor; and

(14) two representatives from postsecondary schools certified to provide programs of professional peace officer education appointed by the governor.

(b) Appointments must be made no later than August 30, 2022.

(c) Members shall serve without compensation.

(d) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. Officers; meetings. (a) The task force shall elect a chair and vice-chair from among its members. The task force may elect other officers as necessary.

(b) The chair of the Peace Officer Standards and Training Board shall convene the first meeting of the task force no later than September 15, 2022, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of the chair. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 4. Duties. (a) The task force shall, at a minimum:

(1) identify barriers to recruiting peace officers;

(2) develop strategies for recruiting new peace officers;

(3) develop policies and procedures to increase the diversity of the racial makeup and professional background of licensed peace officers;

(4) identify or develop curriculum that utilizes community policing models;

(5) provide recommendations on how to create and support an expedited pathway for individuals to become peace officers; and

(6) assure that any alternative courses to licensure maintain the high standards of education and training required for licensure as a peace officer in Minnesota.

(b) At its discretion, the task force may examine, as necessary, other related issues consistent with this section.

Subd. 5. **Report.** By January 15, 2024, the task force must submit a report on its findings and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over public safety finance and policy and the Minnesota Sentencing Guidelines Commission.

Subd. 6. **Expiration.** The task force expires the day after submitting its report under subdivision 5.

Sec. 2. BODY CAMERA DATA STORAGE PROGRAM; BODY CAMERA GRANT PROGRAM; APPROPRIATION.

Subdivision 1. **Definition.** As used in this section, "local law enforcement agency" has the meaning given to "law enforcement agency" in Minnesota Statutes, section 626.84, paragraph (f), but does not include a unit of state government.

Subd. 2. **Body camera data storage program.** (a) \$6,016,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety to develop and administer a statewide cloud-based body camera data storage program. Of this amount, the commissioner may use up to \$1,000,000 to retain and compensate a staff necessary to administer the program. The base for this appropriation is \$6,036,000 in fiscal year 2024 and \$6,057,000 in fiscal year 2025.

(b) State and local law enforcement agencies may voluntarily participate in the body camera data storage program, but must agree to the conditions established in subdivision 4.

Subd. 3. **Body camera grant program.** (a) \$9,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for grants administered by the Office of Justice Programs as directed by the Public Safety Innovation Board to local law enforcement agencies for portable recording systems. The executive director shall award grants to local law enforcement agencies for the purchase and maintenance of portable recording systems and portable recording system data.

(b) The executive director must give preference to applicants that satisfy any of the following criteria:

(1) agree to store body camera data in the statewide cloud-based body camera data storage program;

(2) do not have an existing body camera program; or

(3) are ineligible for a local community policing grant under article 2, section 3.

(c) The executive director must award at least 25 percent of grant funds to applicants located outside of the seven-county metropolitan area.

(d) The executive director must award at least 25 percent of grant funds to applicants with existing body camera programs for maintenance and necessary upgrades to body camera equipment.

Subd. 4. **Conditions for participants.** (a) By January 15 of each year, the chief law enforcement officer for a grant recipient must report to the commissioner of public safety each complaint and each case of officer discipline that arose from the use of body cameras. No later than April 15 of each year, the commissioner shall submit a report to the Public Safety Innovation Board that compiles the data received under this paragraph.

(b) As a condition of participating in the state body camera data storage program under subdivision 2 or receiving a body camera grant under subdivision 3, a local law enforcement agency's portable recording system policy required under Minnesota Statutes, section 626.8473, subdivision 3, must include the following provisions:

(1) prohibit altering, erasing, or destroying any recording made with a peace officer's portable recording system or data and metadata related to the recording prior to the expiration of the applicable retention period under Minnesota Statutes, section 13.825, subdivision 3, except that the full, unedited, and unredacted recording of a peace officer using deadly force must be maintained indefinitely;

(2) mandate that, notwithstanding any law to the contrary, a deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children be entitled to view any and all recordings from a peace officer's portable recording system, redacted no more than what is required by law, of an officer's use of deadly force no later than five business days following an incident where deadly force used by a peace officer results in the death of an individual, except that a chief law enforcement officer may deny a request if the investigating agency requests and can articulate a compelling reason as to why allowing the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children to review the recordings would interfere with a thorough investigation. If the chief law enforcement officer denies a request under this paragraph, the involved officer's agency must issue a prompt, written denial and provide notice to the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children that relief may be sought from the district court;

(3) mandate that, notwithstanding any law to the contrary, an involved officer's agency shall release all body-worn camera recordings of an incident where a peace officer used deadly force and an individual dies to the public no later than 14 business days after the incident, except that a chief law enforcement officer shall not release the video if the investigating agency asserts in writing that allowing the public to view the recordings would interfere with the ongoing investigation; and

(4) mandate, whenever practicable, that an officer operating a portable recording system while entering a residence notify occupants of the residence that they are being recorded.

Sec. 3. **LOCAL COMMUNITY POLICING GRANTS.**

Subdivision 1. **Definition.** As used in this section, "qualified local government entity" means a federally recognized Indian Tribe with a law enforcement agency that reports statistics on crime rates, or a city or town that has a local law enforcement agency.

Subd. 2. **Appropriation.** \$15,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for local community policing grants administered by the Office of Justice Programs as directed by the Public Safety Innovation Board. The base for this appropriation is \$10,000,000 in fiscal year 2024 and fiscal year 2025 except that in fiscal year 2025 it shall be adjusted by a percentage equal to the 12-month percentage change in the Consumer Price Index as released in the previous January. The base for this appropriation is \$0 in fiscal year 2026 and beyond. Any unencumbered grant balances at the end of a fiscal year do not cancel but are available for grants in the following year.

Subd. 3. **Expedited disbursement.** (a) Application materials for grants issued under this section must be prepared and made available to the public within three months of an appropriation being made to fund the grants.

(b) Applications must be received and reviewed, and awards must be made within six months of an appropriation being made to fund the grants.

Subd. 4. Eligible applicants; identification and notice. (a) The commissioner of public safety shall publish the following lists by August 1 of each year:

(1) the qualified local government entities that have recorded at least three violent crimes in the previous fiscal year and have the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(2) the counties with the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(3) the qualified local government entities that are not included in the list generated pursuant to clause (1), have recorded at least three violent crimes in the previous fiscal year, and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System; and

(4) the counties that are not included in the list generated pursuant to clause (2) and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System.

(b) A county or qualified local government entity identified in any list produced pursuant to paragraph (a), clauses (1) to (4), may apply for a grant under this section. A listed county or qualified local government entity may apply as part of a multijurisdictional collaboration with counties and local government entities that are not listed provided the portion of programs or services provided through the grant funding that are performed in the listed county or qualified local government entity is at least equal to its proportion of the membership of the multijurisdictional collaboration.

(c) The commissioner of public safety shall notify every county and qualified local government entity identified in any list published pursuant to paragraph (a), clauses (1) to (4), of its eligibility for a grant under this section within three business days of publication.

Subd. 5. Grant distribution. (a) Half of the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (1) or (2).

(b) Half the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (3) or (4).

Subd. 6. Application materials. (a) Applicants must submit an application in the form and manner established by the Public Safety Innovation Board.

(b) Applicants must describe the ways in which grant funds will be used to reduce crime by increasing the capacity, efficiency, and effectiveness of law enforcement community policing efforts through any of the following approaches:

(1) increasing the recruitment of officers by utilizing advertisements, or bonuses or scholarships for peace officers who remain continuously employed as a peace officer for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(2) increasing patrols outside of squad cars on foot or in transportation options that provide more interaction between police and community members;

(3) increasing, establishing, maintaining, or expanding crisis response teams in which social workers or mental health providers are sent as first responders when calls for service indicate that an individual is having a mental health crisis;

(4) establishing, maintaining, or expanding co-responder teams;

(5) purchasing equipment to perform patrols outside of squad cars on foot or in transportation options that provide more interaction between police and community members; or

(6) hiring additional non-law-enforcement personnel to conduct functions typically performed by law enforcement with the intent of freeing up additional law enforcement to perform patrols or respond to service calls.

Subd. 7. **Awards.** (a) Preference in awarding grants should be given to applicants whose proposals:

(1) involve community policing strategies;

(2) include collaboration with non-law-enforcement entities such as community-based violence prevention programs, social worker programs, or mental health specialists;

(3) are based on academic studies or based on evidence-based policing research or findings; or

(4) involve increased law enforcement accountability or transparency.

(b) Grant recipients may use funds to partner with or support other programs.

(c) Grant funds may not be used to offset the costs of law enforcement agencies, counties, or qualified local government entities.

(d) Any funds that are not encumbered or spent six years after being awarded must be returned to the commissioner of public safety and awarded as part of a local community innovation grant.

Subd. 8. **Evaluation.** Each grant recipient shall complete a uniform evaluation program established by the Minnesota Statistical Analysis Center every two years.

Subd. 9. **Rulemaking.** The commissioner of public safety may adopt rules pursuant to Minnesota Statutes, chapter 14, to ensure that grant recipients have policies or patterns of practice that promote community trust.

Sec. 4. **LOCAL INVESTIGATION GRANTS.**

Subdivision 1. **Definition.** As used in this section, "qualified local government entity" means a federally recognized Indian Tribe with a law enforcement agency that reports statistics on crime rates, or a city or town that has a local law enforcement agency.

Subd. 2. **Appropriation.** \$15,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for local investigation grants administered by the Office of Justice Programs as directed by the Public Safety Innovation Board. The base for this appropriation is \$10,000,000 in fiscal year 2024 and fiscal year 2025 except that in fiscal year 2025 it shall be adjusted by a percentage equal to the 12-month percentage change in the Consumer Price Index as released in the previous January. The base for this appropriation is \$0 in fiscal year 2026 and beyond. Any unencumbered grant balances at the end of a fiscal year do not cancel but are available for grants in the following year.

Subd. 3. Expedited disbursement. (a) Application materials for grants issued under this section must be prepared and made available to the public within three months of an appropriation being made to fund the grants.

(b) Applications must be received and reviewed, and awards must be made within six months of an appropriation being made to fund the grants.

Subd. 4. Eligible applicants; identification and notice. (a) The commissioner of public safety shall publish the following lists by August 1 of each year:

(1) the qualified local government entities that have recorded at least three violent crimes in the previous fiscal year and have the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(2) the counties with the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(3) the qualified local government entities that are not included in the list generated pursuant to clause (1), have recorded at least three violent crimes in the previous fiscal year, and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System; and

(4) the counties that are not included in the list generated pursuant to clause (2) and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System.

(b) A county or qualified local government entity identified in any list produced pursuant to paragraph (a), clauses (1) to (4), may apply for a grant under this section. A listed county or qualified local government entity may apply as part of a multijurisdictional collaboration with counties and local government entities that are not listed provided the portion of programs or services provided through the grant funding that are performed in the listed county or qualified local government entity is at least equal to its proportion of the membership of the multijurisdictional collaboration.

(c) The commissioner of public safety shall notify every county and qualified local government entity identified in any list published pursuant to paragraph (a), clauses (1) to (4), of its eligibility for a grant under this section within three business days of publication.

Subd. 5. Grant distribution. (a) Half of the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (1) or (2).

(b) Half the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (3) or (4).

Subd. 6. Application materials. (a) Applicants must submit an application in the form and manner established by the Public Safety Innovation Board.

(b) Applicants must describe the ways in which grant funds will be used to reduce crime by increasing the capacity, efficiency, and effectiveness of law enforcement investigations through the use of any of the following approaches:

(1) increasing recruitment of additional detectives, investigators, or other individuals with a comparable rank or designation to investigate homicides, nonfatal shootings, or motor vehicle theft, including hiring, on a temporary or permanent basis, retired officers by utilizing advertisements, or bonuses or scholarships for peace officers who remain continuously employed as a peace officer for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(2) increasing recruitment of additional peace officers to replace officers transferred or promoted to detective, investigator, or a comparable rank and assigned to investigate homicides, nonfatal shootings, or motor vehicle theft;

(3) ensuring retention of peace officers identified as a detective, investigator, or a comparable rank and assigned to investigate homicides and nonfatal shootings;

(4) acquiring, upgrading, or replacing investigative or evidence-processing technology or equipment;

(5) hiring additional evidence-processing personnel;

(6) ensuring that personnel responsible for evidence processing have sufficient resources and training;

(7) hiring and training personnel to analyze violent crime, specifically with regards to the use of intelligence information of criminal networks and the potential for retaliation among gangs or groups, and the geographic trends among homicides, nonfatal shootings, and carjackings;

(8) ensuring that victim services and personnel are sufficiently funded, staffed, and trained;

(9) ensuring that victims and family members of homicides and nonfatal shootings have access to resources, including:

(i) convenient mental health treatment and grief counseling;

(ii) assistance for funeral and burial expenses;

(iii) assistance for relocation expenses;

(iv) emergency shelter;

(v) emergency transportation; and

(vi) lost wage assistance;

(10) developing competitive and evidence-based programs to improve homicide and nonfatal shooting clearance rates; or

(11) developing best practices for improving access to, and acceptance of, victim services, including those that promote medical and psychological wellness, ongoing counseling, legal advice, and financial compensation.

Subd. 7. **Awards.** (a) Grant recipients may use funds to partner with or support other programs.

(b) Grant funds may not be used to fund undercover peace officer work or offset the costs of law enforcement agencies, counties, or qualified local government entities.

(c) Any funds that are not encumbered or spent six years after being awarded must be returned to the commissioner of public safety and awarded as part of a local community innovation grant.

Subd. 8. **Evaluation.** Each grant recipient shall complete a uniform evaluation program established by the Minnesota Statistical Analysis Center every two years.

Subd. 9. **Rulemaking.** The commissioner of public safety may adopt rules pursuant to Minnesota Statutes, chapter 14, to ensure that grant recipients have policies or patterns of practice that promote community trust.

Sec. 5. **TASK FORCE ON ALTERNATIVE COURSES TO PEACE OFFICER LICENSURE; APPROPRIATION.**

\$50,000 in fiscal year 2023 is appropriated from the general fund to the Peace Officer Standards and Training Board to provide support for the task force on alternative courses to peace officer licensure. This is a onetime appropriation.

ARTICLE 3
LAW ENFORCEMENT GRANTS AND POLICY

Section 1. Minnesota Statutes 2020, section 214.10, subdivision 10, is amended to read:

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

Sec. 2. Minnesota Statutes 2020, section 626.843, is amended by adding a subdivision to read:

Subd. 1c. **Rules governing certain misconduct.** No later than January 1, 2024, the board must adopt rules under chapter 14 that permit the board to take disciplinary action on a licensee for a violation of a standard of conduct in Minnesota Rules, chapter 6700, whether or not criminal charges have been filed and in accordance with the evidentiary standards and civil processes for boards under chapter 214.

Sec. 3. Minnesota Statutes 2020, section 626.8473, subdivision 3, is amended to read:

Subd. 3. **Written policies and procedures required.** (a) The chief officer of every state and local law enforcement agency that uses or proposes to use a portable recording system must establish and enforce a written policy governing its use. In developing and adopting the policy, the law enforcement agency must provide for public comment and input as provided in subdivision 2. Use of a portable recording system without adoption of a written policy meeting the requirements of this section is prohibited. The written policy must be posted on the agency's website, if the agency has a website.

(b) At a minimum, the written policy must incorporate and require compliance with the following:

(1) the requirements of section 13.825 and other data classifications, access procedures, retention policies, and data security safeguards that, at a minimum, meet the requirements of chapter 13 and other applicable law. The policy must prohibit altering, erasing, or destroying any recording made with a peace officer's portable recording system or data and metadata related to the recording prior to the expiration of the applicable retention period under section 13.825, subdivision 3, except that the full, unedited, and unredacted recording of a peace officer using deadly force must be maintained indefinitely;

(2) mandate that a portable recording system be:

(i) worn where it affords an unobstructed view, and above the mid-line of the waist;

(ii) activated during all contacts with citizens in the performance of official duties other than community engagement, to the extent practical without compromising officer safety; and

(iii) activated when the officer arrives on scene of an incident and remain active until the conclusion of the officer's duties at the scene of the incident;

(3) mandate that officers assigned a portable recording system wear and operate the system in compliance with the agency's policy adopted under this section while performing law enforcement activities under the command and control of another chief law enforcement officer or federal law enforcement official;

(4) mandate that, notwithstanding any law to the contrary, a deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children be entitled to view any and all recordings from a peace officer's portable recording system, redacted no more than what is required by law, of an officer's use of deadly force no later than five business days following an incident where deadly force used by a peace officer results in the death of an individual, except that a chief law enforcement officer may deny a request if the investigating agency requests and can articulate a compelling reason as to why allowing the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children to review the recordings would interfere with a thorough investigation. If the chief law enforcement officer denies a request under this paragraph, the involved officer's agency must issue a prompt, written denial and provide notice to the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children that relief may be sought from the district court;

(5) mandate that, notwithstanding any law to the contrary, an involved officer's agency shall release all body-worn camera recordings of an incident where a peace officer used deadly force and an individual dies to the public no later than 14 business days after the incident, except that a chief law enforcement officer shall not release the video if the investigating agency asserts in writing that allowing the public to view the recordings would interfere with the ongoing investigation;

(6) procedures for testing the portable recording system to ensure adequate functioning;

~~(3)~~ (7) procedures to address a system malfunction or failure, including requirements for documentation by the officer using the system at the time of a malfunction or failure;

~~(4)~~ (8) circumstances under which recording is mandatory, prohibited, or at the discretion of the officer using the system;

~~(5)~~ (9) circumstances under which a data subject must be given notice of a recording;

~~(6)~~ (10) circumstances under which a recording may be ended while an investigation, response, or incident is ongoing;

~~(7)~~ (11) procedures for the secure storage of portable recording system data and the creation of backup copies of the data; and

~~(8)~~ (12) procedures to ensure compliance and address violations of the policy, which must include, at a minimum, supervisory or internal audits and reviews, and the employee discipline standards for unauthorized access to data contained in section 13.09.

(c) The board has authority to inspect state and local law enforcement agency policies to ensure compliance with this section. The board may conduct this inspection based upon a complaint it receives about a particular agency or through a random selection process. The board may impose licensing sanctions and seek injunctive relief under section 214.11 for an agency's or licensee's failure to comply with this section.

Sec. 4. Minnesota Statutes 2020, section 626.89, subdivision 17, is amended to read:

Subd. 17. **Civilian review.** (a) As used in this subdivision, the following terms have the meanings given:

(1) "civilian oversight council" means a civilian review board, commission, or other oversight body established by a local unit of government to provide civilian oversight of a law enforcement agency and officers employed by the agency; and

(2) "misconduct" means a violation of law, standards promulgated by the Peace Officer Standards and Training Board, or agency policy.

(b) A local unit of government may establish a civilian review board, commission, or other oversight body shall not have council and grant the council the authority to make a finding of fact or determination regarding a complaint against an officer or impose discipline on an officer. A civilian review board, commission, or other oversight body may make a recommendation regarding the merits of a complaint, however, the recommendation shall be advisory only and shall not be binding on nor limit the authority of the chief law enforcement officer of any unit of government.

(c) At the conclusion of any criminal investigation or prosecution, if any, a civilian oversight council may conduct an investigation into allegations of peace officer misconduct and retain an investigator to facilitate an investigation. Subject to other applicable law, a council may subpoena or compel testimony and documents in an investigation. Upon completion of an investigation, a council may make a finding of misconduct and recommend appropriate discipline against peace officers employed by the agency. If the governing body grants a council the authority, the council may impose discipline on peace officers employed by the agency. A council may submit investigation reports that contain findings of peace officer misconduct to the chief law enforcement officer and the Peace Officer Standards and Training Board's complaint committee. A council may also make policy recommendations to the chief law enforcement officer and the Peace Officer Standards and Training Board.

(d) The chief law enforcement officer of a law enforcement agency under the jurisdiction of a civilian oversight council shall cooperate with the council and facilitate the council's achievement of its goals. However, the officer is under no obligation to agree with individual recommendations of the council and may oppose a recommendation. If the officer fails to implement a recommendation that is within the officer's authority, the officer shall inform the council of the failure along with the officer's underlying reasons.

(e) Peace officer discipline decisions imposed pursuant to the authority granted under this subdivision shall be subject to the applicable grievance procedure established or agreed to under chapter 179A.

(f) Data collected, created, received, maintained, or disseminated by a civilian oversight council related to an investigation of a peace officer are personnel data as defined by section 13.43, subdivision 1, and are governed by that section.

Sec. 5. Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3, is amended to read:

Subd. 3. **Peace Officer Training Assistance**

Philando Castile Memorial Training Fund \$6,000,000 each year is to support and strengthen law enforcement training and implement best practices. This funding shall be named the "Philando Castile Memorial Training Fund. "These funds may only be used to reimburse costs related to training courses that qualify for reimbursement under Minnesota Statutes, sections 626.8469 (training in crisis response, conflict management, and cultural diversity) and 626.8474 (autism training).

Each sponsor of a training course is required to include the following in the sponsor's application for approval submitted to the board: course goals and objectives; a course outline including at a minimum a timeline and teaching hours for all courses; instructor qualifications, ~~including skills and concepts such as crisis intervention, de-escalation, and cultural competency that are relevant to the course provided~~; and a plan for learning assessments of the course and documenting the assessments to the board during review. Upon completion of each course, instructors must submit student evaluations of the instructor's teaching to the sponsor.

The board shall keep records of the applications of all approved and denied courses. All continuing education courses shall be reviewed after the first year. The board must set a timetable for recurring review after the first year. For each review, the sponsor must submit its learning assessments to the board to show that the course is teaching the learning outcomes that were approved by the board.

A list of licensees who successfully complete the course shall be maintained by the sponsor and transmitted to the board following the presentation of the course and the completed student evaluations of the instructors. Evaluations are available to chief law enforcement officers. The board shall establish a data retention schedule for the information collected in this section.

Each year, if funds are available after reimbursing all eligible requests for courses approved by the board under this subdivision, the board may use the funds to reimburse law enforcement agencies for other board-approved law enforcement training courses. The base for this activity is \$0 in fiscal year 2026 and thereafter.

Sec. 6. **MULTIJURISDICTIONAL LAW ENFORCEMENT TRAINING IN THE PROPER USE OF FORCE, DUTY TO INTERCEDE, AND CONFLICT DE-ESCALATION; REIMBURSEMENT; APPROPRIATION.**

(a) \$2,500,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of the Office of Higher Education to provide reimbursement grants to postsecondary schools certified to provide programs of professional peace officer education for providing in-service training programs for peace officers on the proper use of force, including deadly force, the duty to intercede, and conflict de-escalation. Of this amount, up to 2.5 percent is for administration and monitoring of the program.

(b) To be eligible for reimbursement, training offered by a postsecondary school must consist of no less than eight hours of instruction and:

(1) satisfy the requirements of Minnesota Statutes, section 626.8452, and be approved by the Board of Peace Officer Standards and Training, for use of force training;

(2) utilize scenario-based training that simulates real-world situations and involves the use of real firearms that fire nonlethal ammunition when appropriate;

(3) include a block of instruction on the physical and psychological effects of stress before, during, and after a high risk or traumatic incident and the cumulative impact of stress on the health of officers;

(4) include blocks of instruction on de-escalation methods and tactics, bias motivation, unknown risk training, defensive tactics, and force-on-force training; and

(5) be offered to peace officers at no charge to the peace officer or an officer's law enforcement agency.

(c) A postsecondary school that offers training consistent with the requirements of paragraph (b) may apply for reimbursement for the costs of offering the training. Reimbursement shall be made at a rate of \$450 for each officer who participates in the training. The postsecondary school must submit the name and peace officer license number of the peace officer who received the training.

(d) As used in this section:

(1) "law enforcement agency" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (f); and

(2) "peace officer" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c).

Sec. 7. PEACE OFFICER STANDARDS AND TRAINING BOARD INVESTIGATORS; APPROPRIATION.

\$2,500,000 in fiscal year 2023 is appropriated from the general fund to the Peace Officer Standards and Training Board to hire investigators and additional staff to perform compliance reviews and investigate alleged code of conduct violations, and to obtain or improve equipment for that purpose."

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "providing for rulemaking;"

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 4269, A bill for an act relating to housing; establishing a first-generation homebuyers down payment assistance fund under the administration of a central community development financial institution; requiring a report; appropriating money.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4360, A bill for an act relating to pipelines; providing for the disposition of abandoned pipelines; requiring a pipeline abandonment plan; amending Minnesota Statutes 2020, section 216G.02, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216G.

Reported the same back with the following amendments:

Page 2, line 23, delete "(a)" and insert "(c)"

With the recommendation that when so amended the bill be re-referred to the Committee on Judiciary Finance and Civil Law.

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4377, A bill for an act relating to clean water; appropriating money for the reinvest in Minnesota reserve program.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CLEAN WATER FUND APPROPRIATIONS.**

Subdivision 1. **Department of Agriculture.** (a) \$2,000,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of agriculture to monitor trout streams in southeastern Minnesota for the presence of neonicotinoids.

(b) The commissioner of agriculture must monitor and test for microplastics and nanoplastics as part of the monitoring and testing work funded under Laws 2021, First Special Session chapter 1, article 2, section 3, paragraphs (a) and (i).

Subd. 2. **Pollution Control Agency.** (a) \$2,000,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency to monitor tributaries, including trout streams, near the shores of Lake Superior for perfluoroalkyl and polyfluoroalkyl substances.

(b) \$2,000,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency for enhanced monitoring of private wells in Washington County for perfluoroalkyl and polyfluoroalkyl substances.

(c) \$2,000,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency to monitor the Mississippi River for metals, perfluoroalkyl and polyfluoroalkyl substances, and other contaminants detected in Pig's Eye Lake.

(d) \$400,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency to monitor groundwater and surface waters in the Battle Creek watershed for perfluoroalkyl and polyfluoroalkyl substances.

(e) \$2,000,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency to collect lead sinkers and other activities to improve water quality as part of the Get the Lead Out program.

(f) \$5,000,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency 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 and for the testing, monitoring, and assessment required under this section.

(g) The commissioner of the Pollution Control Agency must monitor and assess for microplastics and nanoplastics as part of the monitoring and assessment work funded under Laws 2021, First Special Session chapter 1, article 2, section 4, paragraphs (a) and (c).

(h) For the purposes of this section:

(1) "microplastics" means small pieces of plastic debris in the environment resulting from the disposal and breakdown of consumer products and industrial waste that are less than five millimeters in length;

(2) "nanoplastics" means particles within a size ranging from one to 1,000 nanometers that are unintentionally produced from the manufacture or degradation of plastic objects and that exhibit a colloidal behavior; and

(3) "plastic" means an organic or petroleum derivative synthetic or a semisynthetic organic solid that is moldable and to which additives or other substances may have been added. Plastic does not include natural polymers that have not been chemically modified.

Subd. 3. **Department of Natural Resources.** (a) \$402,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of natural resources to prepare a report on Minnesota's peatlands in cooperation with the Board of Water and Soil Resources. Of this amount, \$45,000 is transferred to the commissioner of the Pollution Control Agency and \$31,000 is transferred to the Board of Water and Soil Resources. The report must:

(1) include an assessment of the current state of Minnesota's peatlands;

(2) identify current threats and efforts to protect and restore the state's peatlands;

(3) include an assessment of the level of peat extraction in the state;

(4) provide an estimate of the carbon storage provided by the state's peatlands;

(5) include recommendations for steps the state could take to further protect and restore peatlands; and

(6) be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources by January 15, 2023.

(b) \$500,000 in fiscal year 2023 is appropriated from the clean water fund to the commissioner of natural resources for a grant to Conservation Corps Minnesota for restoration and enhancement activities to improve water quality, including stream bank stabilization.

(c) The commissioner of natural resources must assess for microplastics and nanoplastics as part of the assessment work funded under Laws 2021, First Special Session chapter 1, article 2, section 5, paragraphs (b) and (c).

Subd. 4. **Board of Water and Soil Resources.** (a) \$7,665,000 in fiscal year 2023 is appropriated from the clean water fund to the Board of Water and Soil Resources to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. Minnesota Statutes, section 103F.515, applies to this program. The board must give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements. The board may enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to \$436,000 is for deposit in a monitoring and enforcement account.

(b) \$7,665,000 in fiscal year 2023 is appropriated from the clean water fund to the Board of Water and Soil Resources to purchase and restore peatlands via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. Minnesota Statutes, section 103F.515, applies to this program. The board must give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements. The board may enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to \$436,000 is for deposit in a monitoring and enforcement account.

Subd. 5. **Metropolitan Council.** \$7,665,000 in fiscal year 2023 is appropriated from the clean water fund to the Metropolitan Council for grants to cities and other public water suppliers to replace the privately owned portion of residential lead drinking water service lines. Grants from this appropriation must first be used to supplement any federal money provided to the state as principal forgiveness or grants under Public Law 117-58, the Infrastructure Investment and Jobs Act, to cover 100 percent of the cost to replace privately owned residential lead service lines.

Subd. 6. **University of Minnesota.** \$437,000 in fiscal year 2023 is appropriated from the clean water fund to the Board of Regents of the University of Minnesota to optimize detection methods, determine environmental occurrence, and evaluate the risk to Minnesota's fish populations of the toxic tire-derived chemical 6PPDq.

Subd. 7. **Public Facilities Authority.** \$7,665,000 in fiscal year 2023 is appropriated from the clean water fund to the Public Facilities Authority for grants to cities and other public water suppliers to replace the privately owned portion of residential lead drinking water service lines. Grants from this appropriation must first be used to supplement any federal money provided to the state as principal forgiveness or grants under Public Law 117-58, the Infrastructure Investment and Jobs Act, to cover 100 percent of the cost to replace privately owned residential lead service lines.

Subd. 8. **Availability and other requirements.** All appropriations in this section are onetime and are subject to the requirements and availability provisions provided under Laws 2021, First Special Session chapter 1, article 2."

Delete the title and insert:

"A bill for an act relating to legacy; appropriating money from clean water fund."

With the recommendation that when so amended the bill be re-referred to the Committee on Legacy Finance.

The report was adopted.

Pinto from the Committee on Early Childhood Finance and Policy to which was referred:

H. F. No. 4497, A bill for an act relating to early childhood; requiring reports on the information technology supporting and the data practices governing child care and early learning programs; appropriating money.

Reported the same back with the following amendments:

Page 1, line 7, delete "CHILD CARE AND EARLY LEARNING PROGRAMS" and insert "PROGRAMS IMPACTING YOUNG CHILDREN AND FAMILIES"

Page 1, line 10, delete "child care and early learning programs" and insert "programs impacting early childhood, including child care and early learning programs and those serving young children and families"

Page 1, line 11, after "Services" insert "and other departments with programs impacting early childhood as identified by the Children's Cabinet"

Page 1, line 14, delete "child" and insert "early childhood programs"

Page 1, line 15, delete "care and early learning programs"

Page 1, line 18, delete "child care and early learning" and insert "early childhood"

Page 1, line 20, delete "child care and early learning" and insert "early childhood"

Page 2, line 1, delete "child care and early learning" and insert "early childhood"

Page 2, line 5, after "services" insert "and other departments with programs impacting early childhood as identified by the Children's Cabinet"

Page 2, line 8, delete "child care and early learning" and insert "early childhood"

Page 2, line 9, delete "CHILD CARE AND EARLY" and insert "PROGRAMS IMPACTING YOUNG CHILDREN AND FAMILIES."

Page 2, delete line 10

Page 2, line 12, after "to" insert ": (1)"

Page 2, line 14, after "Services" insert "and other departments with programs impacting early childhood as identified by the Children's Cabinet; and (2) support ongoing efforts to address any barriers to data sharing"

Page 2, line 16, delete "By February 1, 2023,"

Page 2, line 17, delete the first "the" and insert "preliminary"

Page 2, line 18, after "programs" insert "by February 1, 2023, and make a final report by February 1, 2024" and after "appropriation" insert "and is available until June 30, 2024"

With the recommendation that when so amended the bill be re-referred to the Committee on State Government Finance and Elections.

The report was adopted.

Nelson, M., from the Committee on State Government Finance and Elections to which was referred:

H. F. No. 4568, A bill for an act relating to emergency management; protecting information and telecommunications technology systems and services during emergencies; amending Minnesota Statutes 2020, sections 12.03, by adding subdivisions; 12.21, subdivision 2; 12.31, subdivision 2; 12.35, subdivision 4; 12.36; repealing Minnesota Statutes 2020, section 12.03, subdivision 5d.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 633, 2711, 3285, 3873, 4031, 4065, 4113 and 4568 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Murphy, Quam and Frederick introduced:

H. F. No. 4670, A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

The bill was read for the first time and referred to the Committee on Ways and Means.

Thompson introduced:

H. F. No. 4671, A bill for an act relating to state government; establishing a Minnesota Center for American Descendants of Slavery; establishing a net investment income tax; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 138; 290.

The bill was read for the first time and referred to the Committee on State Government Finance and Elections.

Novotny introduced:

H. F. No. 4672, A bill for an act relating to animal health; authorizing certain over-the-counter canine bordetella vaccines; proposing coding for new law in Minnesota Statutes, chapter 35.

The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy.

Torkelson and Boe introduced:

H. F. No. 4673, A bill for an act relating to public safety; modifying the definition of park zone in the controlled substances law; amending Minnesota Statutes 2020, section 152.01, subdivision 12a.

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy.

Lee introduced:

H. F. No. 4674, A bill for an act relating to the Public Facilities Authority; requiring five percent of certain federal funds to be used for lead service line replacement activities; requiring a report.

The bill was read for the first time and referred to the Committee on Capital Investment.

Stephenson introduced:

H. F. No. 4675, A bill for an act relating to Anoka County; authorizing Anoka County to build a jail and criminal justice center in a location outside the county seat; authorizing the Anoka County sheriff to keep office in a city outside the county seat.

The bill was read for the first time and referred to the Committee on State Government Finance and Elections.

Koegel introduced:

H. F. No. 4676, A bill for an act relating to public safety; expanding the provisions of Steve's law; providing expanded criminal immunity for good samaritans in certain drug overdose cases; clarifying employer liability for acts of employees in administering opioid antagonists; amending Minnesota Statutes 2020, sections 604A.04, by adding a subdivision; 604A.05.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

Olson, B., introduced:

H. F. No. 4677, A bill for an act relating to transportation; appropriating money for infrastructure improvements in the city of Madelia.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Marquart introduced:

H. F. No. 4678, A bill for an act relating to taxation; sales and use; extending the exemption for Minnesota State High School League tickets and admissions; amending Laws 2017, First Special Session chapter 1, article 3, section 26.

The bill was read for the first time and referred to the Committee on Taxes.

Marquart introduced:

H. F. No. 4679, A bill for an act relating to transportation; appropriating money for road improvements in Spring Prairie Township; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Davids introduced:

H. F. No. 4680, A bill for an act relating to taxation; modifying individual income and corporate franchise taxes; proposing conformity to certain federal tax provisions; making technical and conforming changes; amending Minnesota Statutes 2020, sections 289A.02, subdivision 7; 290.091, subdivision 2; 290.0921, subdivision 3; 290A.03, subdivision 15; 291.005, subdivision 1; Minnesota Statutes 2021 Supplement, sections 289A.08, subdivision 7; 290.01, subdivisions 19, 31; 290.06, subdivision 2c; repealing Minnesota Statutes 2020, sections 290.0131, subdivision 9; 290.0132, subdivision 9; 290.0133, subdivision 11; 290.0134, subdivision 13.

The bill was read for the first time and referred to the Committee on Taxes.

Backer introduced:

H. F. No. 4681, A bill for an act relating to capital investment; appropriating money for a new county courthouse in Traverse County.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Albright introduced:

H. F. No. 4682, A bill for an act relating to state government; increasing fiscal safeguards for state grants to nonprofit organizations; amending Minnesota Statutes 2020, section 16B.98, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the first time and referred to the Committee on State Government Finance and Elections.

Baker introduced:

H. F. No. 4683, A bill for an act relating to capital investment; appropriating money for a new curling facility in the city of Willmar.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Huot introduced:

H. F. No. 4684, A bill for an act relating to higher education; establishing a paramedic scholarship program; requiring a report; appropriating money.

The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy.

Feist introduced:

H. F. No. 4685, A bill for an act relating to capital investment; appropriating money for relocation costs and renovations at a new facility for CornerHouse.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Mueller introduced:

H. F. No. 4686, A bill for an act relating to taxation; sales and use; providing an exemption for certain conservation clubs; amending Minnesota Statutes 2020, section 297A.70, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Richardson introduced:

H. F. No. 4687, A bill for an act relating to capital investment; appropriating money for reconstruction of 117th Street in the city of Inver Grove Heights.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Richardson introduced:

H. F. No. 4688, A bill for an act relating to capital investment; appropriating money for reconstruction of 117th Street in the city of Inver Grove Heights; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Agbaje, Marquart, Youakim, Howard and Gomez introduced:

H. F. No. 4689, A bill for an act relating to taxation; providing grants to local governments; providing income tax subtractions for certain business assistance; requiring a report; appropriating money.

The bill was read for the first time and referred to the Committee on Taxes.

Boldon, Lippert, Keeler and Frederick introduced:

H. F. No. 4690, A bill for an act relating to transit; appropriating money for transit in greater Minnesota.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Moller, Huot, Garofalo and Hansen, R., introduced:

H. F. No. 4691, A bill for an act relating to public safety; expanding eligibility for public safety officer survivor benefits; amending Minnesota Statutes 2020, section 299A.41, subdivision 3, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy.

Heinrich; Grossell; Erickson; Robbins; Bahr; Igo; Heintzeman; Mueller; Gruenhagen; Novotny; Poston; Bliss; Bennett; Anderson; Scott; Franson; Mekeland; Theis; Boe; Burkel; Miller; Lueck; Petersburg; West; Nelson, N.; Johnson and Green introduced:

H. F. No. 4692, A bill for an act relating to taxation; income; providing a credit for donations to fund K-12 scholarships; amending Minnesota Statutes 2020, sections 290.0131, by adding a subdivision; 290.0133, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, N., and Winkler introduced:

H. F. No. 4693, A bill for an act relating to capital investment; appropriating money for replacement of the dam on the Grindstone River; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Nelson, N., and Winkler introduced:

H. F. No. 4694, A bill for an act relating to natural resources; appropriating money to replace dam on the Grindstone River.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Bierman introduced:

H. F. No. 4695, A bill for an act relating to health care workforce training; appropriating money for a child mental health training program for pediatric providers in outpatient primary care clinics; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Stephenson introduced:

H. F. No. 4696, A bill for an act relating to capital investment; appropriating money for the Mississippi Crossings Parking Area in the city of Champlin; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Stephenson introduced:

H. F. No. 4697, A bill for an act relating to capital investment; appropriating money for park land in the city of Champlin; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Haley introduced:

H. F. No. 4698, A bill for an act relating to capital investment; appropriating money for a new regional wastewater treatment facility in Goodhue County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Carlson, Ecklund, Klevorn, Berg and Nelson, M., introduced:

H. F. No. 4699, A bill for an act relating to education; establishing the air ventilation program for public school buildings; authorizing grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123B.

The bill was read for the first time and referred to the Committee on Education Policy.

Koegel introduced:

H. F. No. 4700, A bill for an act relating to transportation; providing for local match funds and technical assistance on federal grants; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 174.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Petersburg introduced:

H. F. No. 4701, A bill for an act relating to capital investment; appropriating money for clean water infrastructure in the city of Waseca; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Feist introduced:

H. F. No. 4702, A bill for an act relating to human services; appropriating money for a grant to CornerHouse.

The bill was read for the first time and referred to the Committee on Human Services Finance and Policy.

Her introduced:

H. F. No. 4703, A bill for an act relating to capital investment; appropriating money to Public Functionary for a community arts center.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Liebling introduced:

H. F. No. 4704, A bill for an act relating to long-term care; appropriating money to the commissioner of health and the commissioner of human services for long-term care protection and support activities and a temporary staffing pool.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Liebling introduced:

H. F. No. 4705, A bill for an act relating to health care; reducing the reimbursement rate for services delivered by telemedicine; modifying the capitation rate to reflect the reduced reimbursement rate for services delivered by telemedicine; amending Minnesota Statutes 2020, sections 256B.0625, subdivision 3b; 256B.69, subdivision 31.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Liebling introduced:

H. F. No. 4706, A bill for an act relating to long-term care; appropriating money to the commissioner of health and the commissioner of human services for long-term care protection and support activities and a temporary staffing pool.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Koegel introduced:

H. F. No. 4707, A bill for an act relating to economic development; appropriating money to MNSBIR, Inc. for small business research and development support.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Jordan introduced:

H. F. No. 4708, A bill for an act relating to transit; appropriating money for certain transit service improvements, including transit fare reduction, transit shelters, zero-emission bus transition, arterial bus rapid transit planning, and transit signal priority system planning; establishing a working group; requiring a report.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 4165, A bill for an act relating to state government; requiring divestment from certain investments relating to Russia and Belarus; terminating contracts with Russian and Belarussian entities; requiring a report; proposing coding for new law in Minnesota Statutes, chapters 11A; 16C.

CAL R. LUDEMAN, Secretary of the Senate

Madam Speaker:

I have the honor to inform the House of Representatives that the Senate is ready to meet with the House in Joint Convention at 5:45 P.M., Sunday, April 24, 2022 to receive the message of the Honorable Tim Walz, Governor of the State of Minnesota, which will be delivered at 6:00 P.M.

CAL R. LUDEMAN, Secretary of the Senate

**REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION**

Winkler from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, March 31, 2022 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 1442, 3216, 3217, 3545 and 4406.

MOTIONS AND RESOLUTIONS

Dettmer moved that the name of Poston be added as an author on H. F. No. 198. The motion prevailed.

Freiberg moved that the names of Jordan, Keeler, Frazier, Pinto, Noor, Lee, Reyer, Becker-Finn, Youakim, Boldon, Elkins, Long, Schultz, Liebling and Pryor be added as authors on H. F. No. 284. The motion prevailed.

Jordan moved that the name of Lee be added as an author on H. F. No. 603. The motion prevailed.

Stephenson moved that the name of Lee be added as an author on H. F. No. 843. The motion prevailed.

Gomez moved that the name of Schultz be added as an author on H. F. No. 1023. The motion prevailed.

Gomez moved that the names of Mortensen and Liebling be added as authors on H. F. No. 1196. The motion prevailed.

Jordan moved that the names of Huot and Lee be added as authors on H. F. No. 1729. The motion prevailed.

Berg moved that the names of Lillie and Franke be added as authors on H. F. No. 1742. The motion prevailed.

Berg moved that the names of Lee, Lillie and Franke be added as authors on H. F. No. 1808. The motion prevailed.

Feist moved that the name of Bierman be added as an author on H. F. No. 2046. The motion prevailed.

Haley moved that the name of Hamilton be added as an author on H. F. No. 2168. The motion prevailed.

Boe moved that the name of Masin be added as an author on H. F. No. 2236. The motion prevailed.

Wolgamott moved that the name of Lee be added as an author on H. F. No. 2657. The motion prevailed.

Wazlawik moved that the name of Youakim be added as an author on H. F. No. 2711. The motion prevailed.

Lippert moved that the name of Bierman be added as an author on H. F. No. 2720. The motion prevailed.

Edelson moved that the name of Wolgamott be added as an author on H. F. No. 2725. The motion prevailed.

Becker-Finn moved that the name of Schultz be added as an author on H. F. No. 2876. The motion prevailed.

Pinto moved that the name of Fischer be added as an author on H. F. No. 2958. The motion prevailed.

Hanson, J., moved that the name of Greenman be added as an author on H. F. No. 3100. The motion prevailed.

Wolgamott moved that the name of Feist be added as an author on H. F. No. 3161. The motion prevailed.

Mekeland moved that the names of West and Pfarr be added as authors on H. F. No. 3291. The motion prevailed.

Lippert moved that the name of Huot be added as an author on H. F. No. 3302. The motion prevailed.

Acomb moved that the name of Her be added as an author on H. F. No. 3320. The motion prevailed.

Morrison moved that the name of Bierman be added as an author on H. F. No. 3360. The motion prevailed.

Her moved that the name of Fischer be added as an author on H. F. No. 3568. The motion prevailed.

Youakim moved that the name of Frazier be added as an author on H. F. No. 3574. The motion prevailed.

Olson, L., moved that the name of Moller be added as an author on H. F. No. 3613. The motion prevailed.

Jurgens moved that the name of Reyer be added as an author on H. F. No. 3656. The motion prevailed.

Hausman moved that the name of Freiberg be added as an author on H. F. No. 3667. The motion prevailed.

Frederick moved that the name of Demuth be added as an author on H. F. No. 3692. The motion prevailed.

Reyer moved that the name of Dettmer be added as an author on H. F. No. 3719. The motion prevailed.

Nelson, M., moved that the name of Boe be added as an author on H. F. No. 3771. The motion prevailed.

Sandstede moved that the name of Boe be added as an author on H. F. No. 3773. The motion prevailed.

Grossell moved that the name of Heinrich be added as an author on H. F. No. 3881. The motion prevailed.

Feist moved that the name of Lee be added as an author on H. F. No. 3891. The motion prevailed.

Keeler moved that the name of Davids be added as an author on H. F. No. 3926. The motion prevailed.

Huot moved that the name of Bahner be added as an author on H. F. No. 3931. The motion prevailed.

Wazlawik moved that the names of Freiberg and Frazier be added as authors on H. F. No. 4107. The motion prevailed.

Lippert moved that the name of Boldon be added as an author on H. F. No. 4120. The motion prevailed.

Pryor moved that the names of Freiberg, Lee and Bierman be added as authors on H. F. No. 4157. The motion prevailed.

Long moved that the name of Jurgens be added as an author on H. F. No. 4183. The motion prevailed.

Bahr moved that the name of Haley be added as an author on H. F. No. 4189. The motion prevailed.

Edelson moved that the name of Davids be added as an author on H. F. No. 4233. The motion prevailed.

Franson moved that the name of Gruenhagen be added as an author on H. F. No. 4252. The motion prevailed.

Agbaje moved that the name of Long be added as an author on H. F. No. 4269. The motion prevailed.

Davnie moved that the name of Lee be added as an author on H. F. No. 4300. The motion prevailed.

Morrison moved that the names of Freiberg, Masin and Gomez be added as authors on H. F. No. 4321. The motion prevailed.

Ecklund moved that the name of Pelowski be added as an author on H. F. No. 4375. The motion prevailed.

Pinto moved that the name of Long be added as an author on H. F. No. 4397. The motion prevailed.

Grossell moved that the name of Heinrich be added as an author on H. F. No. 4401. The motion prevailed.

Sundin moved that the name of Stephenson be added as an author on H. F. No. 4482. The motion prevailed.

Lislegard moved that the name of Igo be added as an author on H. F. No. 4484. The motion prevailed.

Keeler moved that the name of Bernardy be added as an author on H. F. No. 4539. The motion prevailed.

Wazlawik moved that the name of Becker-Finn be added as an author on H. F. No. 4543. The motion prevailed.

Becker-Finn moved that the name of Bliss be added as an author on H. F. No. 4565. The motion prevailed.

Lucero moved that the names of Mekeland and Heinrich be added as authors on H. F. No. 4574. The motion prevailed.

Marquart moved that the name of Kiel be added as an author on H. F. No. 4607. The motion prevailed.

Mariani moved that the name of Becker-Finn be added as an author on H. F. No. 4608. The motion prevailed.

Huot moved that the name of Erickson be added as an author on H. F. No. 4615. The motion prevailed.

Poston moved that the name of Schultz be added as an author on H. F. No. 4618. The motion prevailed.

Her moved that the name of O'Neill be added as an author on H. F. No. 4624. The motion prevailed.

Hansen, R., moved that the names of Boe and Moller be added as authors on H. F. No. 4627. The motion prevailed.

Agbaje moved that the name of Youakim be added as an author on H. F. No. 4639. The motion prevailed.

Feist moved that the name of Youakim be added as an author on H. F. No. 4641. The motion prevailed.

Berg moved that the names of Fischer and Youakim be added as authors on H. F. No. 4648. The motion prevailed.

Hollins moved that the name of Youakim be added as an author on H. F. No. 4649. The motion prevailed.

Heintzeman moved that the name of Boe be added as an author on H. F. No. 4655. The motion prevailed.

Igo moved that the name of Boe be added as an author on H. F. No. 4656. The motion prevailed.

Franson moved that the names of Lucero and Heinrich be added as authors on H. F. No. 4658. The motion prevailed.

Greenman moved that the name of Youakim be added as an author on H. F. No. 4664. The motion prevailed.

Scott moved that the name of Theis be added as an author on H. F. No. 4665. The motion prevailed.

Lee moved that the name of Reyer be added as an author on H. F. No. 4666. The motion prevailed.

Drazkowski moved that the names of Boe and Mortensen be added as authors on H. F. No. 4667. The motion prevailed.

Acomb moved that H. F. No. 3759 be recalled from the Committee on Higher Education Finance and Policy and be re-referred to the Committee on Climate and Energy Finance and Policy. The motion prevailed.

Ecklund moved that H. F. No. 4451 be recalled from the Committee on Industrial Education and Economic Development Finance and Policy and be re-referred to the Committee on State Government Finance and Elections. The motion prevailed.

Poston moved that H. F. No. 4618 be recalled from the Committee on Health Finance and Policy and be re-referred to the Committee on Human Services Finance and Policy. The motion prevailed.

ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, March 31, 2022. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and Speaker pro tempore Wolgamott declared the House stands adjourned until 3:30 p.m., Thursday, March 31, 2022.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

