

STATE OF MINNESOTA

NINETY-THIRD SESSION — 2023

 FORTY-SIXTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 11, 2023

The House of Representatives convened at 12:00 noon and was called to order by Melissa Hortman, Speaker of the House.

Prayer was offered by the Reverend G. Dwaine Sutherland, Retired Senior Master Sergeant, United States Airforce, Glen Cary Lutheran Church, Ham Lake, 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	Daudt	Hanson, J.	Klevorn	Nelson, N.	Robbins
Agbaje	Davids	Harder	Knudsen	Neu Brindley	Schomacker
Altendorf	Davis	Hassan	Koegel	Newton	Schultz
Anderson, P. H.	Demuth	Heintzeman	Kotyza-Witthuhn	Niska	Sencer-Mura
Backer	Dotseth	Hemmingsen-Jaeger	Koznick	Noor	Skraba
Bahner	Edelson	Her	Kraft	Norris	Smith
Bakeberg	Elkins	Hicks	Kresha	Novotny	Stephenson
Baker	Engen	Hill	Lee, F.	O'Driscoll	Swedzinski
Becker-Finn	Feist	Hollins	Lee, K.	Olson, L.	Tabke
Bennett	Finke	Hornstein	Liebling	O'Neill	Torkelson
Berg	Fischer	Howard	Lillie	Pelowski	Vang
Bierman	Franson	Hudella	Lislegard	Pérez-Vega	West
Bliss	Frazier	Hudson	Long	Perryman	Wiener
Brand	Frederick	Huot	McDonald	Petersburg	Wiens
Burkel	Freiberg	Hussein	Moller	Pfarr	Witte
Carroll	Garofalo	Igo	Mueller	Pinto	Wolgamott
Cha	Gillman	Jacob	Murphy	Pryor	Xiong
Clardy	Gomez	Johnson	Myers	Pursell	Youakim
Coulter	Greenman	Jordan	Nadeau	Quam	Zelevnikar
Curran	Grossell	Joy	Nash	Rehm	Spk. Hortman
Daniels	Hansen, R.	Keeler	Nelson, M.	Reyer	

A quorum was present.

Anderson, P. E.; Fogelman; Kiel; Kozlowski; Mekeland; Olson, B.; Richardson; Scott and Urdahl were excused.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Lee, F., from the Committee on Capital Investment to which was referred:

H. F. No. 24, A bill for an act relating to capital investment; modifying authority to ensure safe drinking water; modifying provisions of drinking water revolving fund; establishing grant program to replace lead drinking water service lines; establishing grant program for mapping lead service lines; requiring report; appropriating money; amending Minnesota Statutes 2022, sections 144.383; 446A.081, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 446A.

Reported the same back with the following amendments:

Page 3, line 12, delete everything after "lines" and insert a period

Page 3, delete line 13 and insert:

"(c) Grant money used for removing and replacing lead drinking water service lines under paragraph (a), clause (1), may pay for a maximum of 50 percent of the cost of replacing the publicly owned portions of those lines.

(d) Grant money used for repaying debt under paragraph (a), clause (2), must pay the full balance of the outstanding debt."

Page 3, delete subdivision 5 and insert:

"Subd. 5. **Grant priorities.** (a) An eligible recipient must submit a plan to the commissioner of health for replacement of all lead service lines in the service area. The plan must describe how the eligible recipient will prioritize the expenditure of grant money received under this section, including:

(1) removing lead service lines that are an imminent threat to public health and safety;

(2) targeting areas with children with elevated blood lead levels;

(3) targeting areas with children under the age of five;

(4) targeting areas with lower-income residents and other disadvantaged communities;

(5) coordinating the replacement of publicly owned and privately owned portions of lead lines; and

(6) coordinating the replacement of lead service lines with water main replacement projects for the most efficient use of money.

(b) In prioritizing the expenditure of grant money received under this section, the authority, in consultation with the commissioner of health, must give priority to eligible recipients whose plans comprehensively address the priorities in paragraph (a).

(c) The authority must use available money received under this section first for grants to repay debt incurred under subdivision 4, paragraph (a), clause (2)."

Page 3, line 29, delete "50,000" insert "15,000"

Page 4, line 3, before "By" insert "(a)"

Page 4, after line 9, insert:

"(b) On or before October 1, 2023, and on or before each January 1, April 1, July 1, and October 1 thereafter, the authority, in consultation with the commissioner of health, must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over economic development finance and policy, health policy and finance, environment and natural resources policy and finance, and capital investment on the administration of grant priorities under subdivision 5. The report must include:

(1) a list of the eligible recipients that submitted a plan to the commissioner of health;

(2) information about how the authority prioritized grants to eligible recipients; and

(3) a list of the eligible recipients that received a grant under this section, in order of priority as determined by the authority."

Page 4, delete subdivision 9 and insert:

"Subd. 9. **Mapping and inventory costs.** The authority may use up to \$20,000,000 of appropriations to the lead service line replacement grant program under this section for costs related to mapping and inventory activities that will identify lead service lines for replacement under this section. The authority may enter into interagency agreements with the Department of Health, including agreements to transfer funds, for the Department of Health to provide technical assistance to municipalities for producing an inventory of publicly and privately owned lead service lines and associated replacement plans within their jurisdiction. Any amounts not spent on mapping and inventory work must be used by the authority for replacement of lead service lines under this section."

Page 6, delete section 6 and insert:

"Sec. 6. **LEAD SERVICE LINE REPLACEMENT; APPROPRIATION.**

\$240,000,000 in fiscal year 2024 is appropriated from the general fund to the Public Facilities Authority for the lead service line replacement grant program under Minnesota Statutes, section 446A.077. This appropriation is available until June 30, 2043."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "requiring"

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

The report was adopted.

Pinto from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 238, A bill for an act relating to human services; modifying MFIP general citizenship requirements; amending Minnesota Statutes 2022, section 256J.11, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CHILD CARE

Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 2, is amended to read:

Subd. 2. **Applicant.** "Child care fund applicants" means all parents; stepparents; legal guardians; ~~or~~ eligible relative caregivers ~~who are~~; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodians or guardians as established by section 256N.22, subdivision 10; or foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b. Applicants must be members of the family and reside in the household that applies for child care assistance under the child care fund.

EFFECTIVE DATE. This section is effective August 25, 2024.

Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 5, is amended to read:

Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a parent; stepparent; legal guardian; eligible relative caregiver; relative custodian who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodian or guardian as established according to section 256N.22, subdivision 10; foster parent providing care to a child placed in a family foster home under section 260C.007, subdivision 16b; ~~or the spouses spouse~~ of any of the foregoing in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

EFFECTIVE DATE. This section is effective August 25, 2024.

Sec. 3. Minnesota Statutes 2022, section 119B.011, subdivision 13, is amended to read:

Subd. 13. **Family.** "Family" means parents; stepparents; guardians and their spouses; ~~or~~ other eligible relative caregivers and their spouses; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor custodians or guardians as established by section 256N.22, subdivision 10, and their spouses; foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b, and their spouses; and their blood-related the blood-related dependent children and adoptive siblings under the age of 18 years living in the same home including as any of the above. Family includes children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities ~~or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses~~ and adults temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents; stepparents; guardians and their spouses; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor custodians or guardians as established by section 256N.22, subdivision 10, and their spouses; foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses residing in the same household.

EFFECTIVE DATE. This section is effective August 25, 2024.

Sec. 4. Minnesota Statutes 2022, section 119B.011, subdivision 19a, is amended to read:

Subd. 19a. **Registration.** "Registration" means the process used by ~~a county~~ the commissioner to determine whether the provider selected by a family applying for or receiving child care assistance to care for that family's children meets the requirements necessary for payment of child care assistance for care provided by that provider. The commissioner shall create a process for statewide registration by April 28, 2025.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

Subd. 4a. ~~Temporary reprioritization~~ **Funding priorities.** (a) ~~Notwithstanding subdivision 4~~ In the event that inadequate funding necessitates the use of waiting lists, priority for child care assistance under the basic sliding fee assistance program shall be determined according to this subdivision ~~beginning July 1, 2021, through May 31, 2024.~~

(b) First priority must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(c) Second priority must be given to families in which at least one parent is a veteran, as defined under section 197.447.

(d) Third priority must be given to eligible families who do not meet the specifications of paragraph (b), (c), (e), or (f).

(e) Fourth priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(f) Fifth priority must be given to eligible families receiving services under section 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition year, or if the parents are no longer receiving or eligible for DWP supports.

(g) Families under paragraph (f) must be added to the basic sliding fee waiting list on the date they complete their transition year under section 119B.011, subdivision 20.

Sec. 6. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

Subdivision 1. **Eligible participants.** Families eligible for child care assistance under the MFIP child care program are:

- (1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;
- (2) persons who are members of transition year families under section 119B.011, subdivision 20, and meet the requirements of section 119B.10;

(3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under section 256J.95;

(4) MFIP families who are participating in work job search, job support, employment, or training activities as required in their employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;

(5) MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;

(6) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;

(7) MFIP child-only families under section 256J.88, for up to 20 hours of child care per week for children ages six and under, as recommended by the treating mental health professional, when the child's primary caregiver has a diagnosis of a mental illness;

~~(7)~~ (8) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2;

~~(8)~~ (9) families who are participating in the transition year extension under section 119B.011, subdivision 20a;

~~(9)~~ (10) student parents as defined under section 119B.011, subdivision 19b; and

~~(10)~~ (11) student parents who turn 21 years of age and who continue to meet the other requirements under section 119B.011, subdivision 19b. A student parent continues to be eligible until the student parent is approved for basic sliding fee child care assistance or until the student parent's redetermination, whichever comes first. At the student parent's redetermination, if the student parent was not approved for basic sliding fee child care assistance, a student parent's eligibility ends following a 15-day adverse action notice.

Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider chosen by an applicant or a participant before the county can authorize payment for care provided by that provider. The commissioner must establish the requirements necessary for authorization of providers. A provider must be reauthorized every two years. ~~A legal, nonlicensed family child care provider also must be reauthorized when another person over the age of 13 joins the household, a current household member turns 13, or there is reason to believe that a household member has a factor that prevents authorization. The provider is required to report all family changes that would require reauthorization. When a provider has been authorized for payment for providing care for families in more than one county, the county responsible for reauthorization of that provider is the county of the family with a current authorization for that provider and who has used the provider for the longest length of time.~~

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 8. Minnesota Statutes 2022, section 119B.125, subdivision 1a, is amended to read:

Subd. 1a. **Background study required.** (a) This subdivision only applies to legal, nonlicensed family child care providers.

(b) Prior to authorization, ~~and as part of each reauthorization required in subdivision 1,~~ the commissioner shall perform a background study on every member of the provider's household who is age 13 and older. The county shall also perform a background study on an individual who has reached age ten but is not yet age 13 and is living in the household where the nonlicensed child care will be provided when the county has reasonable cause as defined under section 245C.02, subdivision 15 individuals identified under section 245C.02, subdivision 6a.

(c) After authorization, a background study shall also be performed when an individual identified under section 245C.02, subdivision 6a, joins the household. The provider must report all family changes that would require a new background study.

(d) At each reauthorization, the commissioner must ensure that a background study through NETStudy 2.0 has been performed on all individuals in the provider's household for whom a background study is required under paragraphs (b) and (c).

(e) Prior to a background study through NETStudy 2.0 expiring, another background study must be completed on all individuals for whom the background study is expiring.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

Subd. 1b. **Training required.** ~~(a) Effective November 1, 2011,~~ Prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the ~~county commissioner~~. The training documentation must have valid effective dates as of the date the registration request is submitted to the ~~county commissioner~~. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.

~~(b) Legal nonlicensed family child care providers with an authorization effective before November 1, 2011, must be notified of the requirements before October 1, 2011, or at authorization, and must meet the requirements upon renewal of an authorization that occurs on or after January 1, 2012.~~

~~(c)~~ (b) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.

~~(d)~~ (c) This subdivision only applies to legal nonlicensed family child care providers.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 10. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization under this section shall collect the information required under section 245C.05, ~~subdivision 1,~~ and forward the information to the ~~county agency commissioner~~. The background study must include a review of the information required under section 245C.08, ~~subdivisions 2, subdivision 3, and 4, paragraph (b).~~

(b) A legal nonlicensed family child care provider is not authorized under this section if the commissioner determines that any household member who is the subject of a background study:

(1) is determined to have a disqualifying characteristic under paragraphs (b) to (e) or under section 245C.14 or 245C.15. If a county has determined that a provider is able to be authorized in that county, and a family in another county later selects that provider, the provider is able to be authorized in the second county without undergoing a new background investigation unless one of the following conditions exists: disqualified from direct contact with, or from access to, persons served by the program and that disqualification has not been set aside or a variance has not been granted under chapter 245C;

- ~~(1) two years have passed since the first authorization;~~
- ~~(2) another person age 13 or older has joined the provider's household since the last authorization;~~
- ~~(3) a current household member has turned 13 since the last authorization; or~~
- ~~(4) there is reason to believe that a household member has a factor that prevents authorization.~~
- ~~(b) the person (2) has refused to give written consent for disclosure of criminal history records;~~
- ~~(c) the person (3) has been denied a family child care license or has received a fine or a sanction as a licensed child care provider that has not been reversed on appeal;~~
- ~~(d) the person (4) has a family child care licensing disqualification that has not been set aside; or~~
- ~~(e) the person (5) has admitted or a county has found that there is a preponderance of evidence that fraudulent information was given to the county for child care assistance application purposes or was used in submitting child care assistance bills for payment.~~

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 11. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

Subd. 3. **Authorization exception.** When ~~a county~~ the commissioner denies a person authorization as a legal nonlicensed family child care provider under subdivision 2, the ~~county commissioner~~ later may authorize that person as a provider if the following conditions are met:

- (1) after receiving notice of the denial of the authorization, the person applies for and obtains a valid child care license issued under chapter 245A, issued by a tribe, or issued by another state;
- (2) the person maintains the valid child care license; and
- (3) the person is providing child care in the state of licensure or in the area under the jurisdiction of the licensing tribe.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 12. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

Subd. 4. **Unsafe care.** ~~A county~~ (a) The commissioner may deny authorization as a child care provider to any applicant or rescind authorization of any provider when ~~the a county or commissioner~~ knows or has reason to believe that the provider is unsafe or that the circumstances of the chosen child care arrangement are unsafe, based on statewide criteria developed by the commissioner. ~~The county must include the conditions under which a provider or care arrangement will be determined to be unsafe in the county's child care fund plan under section 119B.08, subdivision 3~~

(b) The commissioner shall develop and introduce statewide criteria for unsafe care.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 13. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers receiving child care assistance payments must:

- (1) keep accurate and legible daily attendance records at the site where services are delivered for children receiving child care assistance; and

(2) make those records available immediately to the county or the commissioner upon request. Any records not provided to a county or the commissioner at the date and time of the request are deemed inadmissible if offered as evidence by the provider in any proceeding to contest an overpayment or disqualification of the provider.

(b) As a condition of payment, attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times that the child was dropped off to and picked up from the child care provider must be entered by the person dropping off or picking up the child. The daily attendance records must be retained at the site where services are delivered for six years after the date of service.

~~(c) A county or the commissioner may deny or revoke a provider's authorization to receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d), pursue a fraud disqualification under section 256.98, take an action against the provider under chapter 245E, or establish an attendance record overpayment under paragraph (d) against a current or former provider. When the county or the commissioner knows or has reason to believe that the a current or former provider has not complied with the record-keeping requirement in this subdivision;~~

(1) the commissioner may:

(i) deny or revoke a provider's authorization to receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d);

(ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and 256.98; or

(iii) take an action against the provider under chapter 245E; or

(2) a county or the commissioner may establish an attendance record overpayment under paragraph (d).

(d) To calculate an attendance record overpayment under this subdivision, the commissioner or county agency shall subtract the maximum daily rate from the total amount paid to a provider for each day that a child's attendance record is missing, unavailable, incomplete, inaccurate, or otherwise inadequate.

(e) The commissioner shall develop criteria for a county to determine an attendance record overpayment under this subdivision.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 14. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

Subd. 7. **Failure to comply with attendance record requirements.** (a) In establishing an overpayment claim for failure to provide attendance records in compliance with subdivision 6, the county or commissioner is limited to the six years prior to the date the county or the commissioner requested the attendance records.

(b) The commissioner or county may periodically audit child care providers to determine compliance with subdivision 6.

(c) When the commissioner or county establishes an overpayment claim against a current or former provider, the commissioner or county must provide notice of the claim to the provider. A notice of overpayment claim must specify the reason for the overpayment, the authority for making the overpayment claim, the time period in which the overpayment occurred, the amount of the overpayment, and the provider's right to appeal.

(d) The commissioner or county shall seek to recoup or recover overpayments paid to a current or former provider.

(e) When a provider has been disqualified or convicted of fraud under section 256.98, theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent billing for a program administered by the commissioner or a county, recoupment or recovery must be sought regardless of the amount of overpayment.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 15. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~November 15, 2021~~ October 30, 2023, the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be:

~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2021 child care provider rate survey or the rates in effect at the time of the update; and,~~

~~(2) for all preschool and school-age children, the greater of the 30th percentile of the 2021 child care provider rate survey or the rates in effect at the time of the update.~~

(b) Beginning the first full service period on or after January 1, 2025, and every three years thereafter, the maximum rate paid for child care assistance in a county or county price cluster under the child care fund shall be:

~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2024 most recent child care provider rate survey or the rates in effect at the time of the update; and,~~

~~(2) for all preschool and school-age children, the greater of the 30th percentile of the 2024 child care provider rate survey or the rates in effect at the time of the update.~~

The rates under paragraph (a) continue until the rates under this paragraph go into effect.

(c) For a child care provider located within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child care assistance shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less. The commissioner may: (1) assign a county with no reported provider prices to a similar price cluster; and (2) consider county level access when determining final price clusters.

(d) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(e) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care.

(f) If a child uses one provider, the maximum payment for one day of care must not exceed the daily rate. The maximum payment for one week of care must not exceed the weekly rate.

(g) If a child uses two providers under section 119B.097, the maximum payment must not exceed:

(1) the daily rate for one day of care;

(2) the weekly rate for one week of care by the child's primary provider; and

(3) two daily rates during two weeks of care by a child's secondary provider.

(h) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance.

(i) If the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(j) Beginning October 30, 2023, the maximum registration fee paid for child care assistance in any county or county price cluster under the child care fund shall be ~~set as follows: (1) beginning November 15, 2021, the greater of the 40th 75th percentile of the 2021 most recent child care provider rate survey or the registration fee in effect at the time of the update; and (2) beginning the first full service period on or after January 1, 2025, the maximum registration fee shall be the greater of the 40th percentile of the 2024 child care provider rate survey or the registration fee in effect at the time of the update. The registration fees under clause (1) continue until the registration fees under clause (2) go into effect.~~

(k) Maximum registration fees must be set for licensed family child care and for child care centers. For a child care provider located in the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum registration fee paid for child care assistance shall be equal to the maximum registration fee paid in the county with the highest maximum registration fee or the provider's charge, whichever is less.

Sec. 16. Minnesota Statutes 2022, section 119B.13, subdivision 4, is amended to read:

Subd. 4. **Rates charged to publicly subsidized families.** Child care providers receiving reimbursement under this chapter may not charge a rate to clients receiving assistance under this chapter that is higher than the private, full-paying client rate. This subdivision shall not prohibit a child care provider receiving reimbursement under this chapter from providing discounts, scholarships, or other financial assistance to any clients.

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

Sec. 17. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

Subd. 6. **Provider payments.** (a) A provider shall bill only for services documented according to section 119B.125, subdivision 6. The provider shall bill for services provided within ten days of the end of the service period. Payments under the child care fund shall be made within 21 days of receiving a complete bill from the provider. Counties or the state may establish policies that make payments on a more frequent basis.

(b) If a provider has received an authorization of care and been issued a billing form for an eligible family, the bill must be submitted within 60 days of the last date of service on the bill. A bill submitted more than 60 days after the last date of service must be paid if the county determines that the provider has shown good cause why the bill was not submitted within 60 days. Good cause must be defined in the county's child care fund plan under section 119B.08, subdivision 3, and the definition of good cause must include county error. Any bill submitted more than a year after the last date of service on the bill must not be paid.

(c) If a provider provided care for a time period without receiving an authorization of care and a billing form for an eligible family, payment of child care assistance may only be made retroactively for a maximum of three months from the date the provider is issued an authorization of care and a billing form. For a family at application, if a provider provided child care during a time period without receiving an authorization of care and a billing form, a county may only make child care assistance payments to the provider retroactively from the date that child care began, or from the date that the family's eligibility began under section 119B.09, subdivision 7, or from the date that the family meets authorization requirements, not to exceed six months from the date that the provider is issued an authorization of care and a billing form, whichever is later.

(d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified, licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified, licensed, or legal nonlicensed provider if:

(1) the provider admits to intentionally giving the county materially false information on the provider's billing forms;

(2) ~~a county or~~ the commissioner finds by a preponderance of the evidence that the provider intentionally gave the county materially false information on the provider's billing forms, or provided false attendance records to a county or the commissioner;

(3) the provider is in violation of child care assistance program rules, until the agency determines those violations have been corrected;

(4) the provider is operating after:

(i) an order of suspension of the provider's license issued by the commissioner;

(ii) an order of revocation of the provider's license issued by the commissioner; or

(iii) an order of decertification issued to the provider;

(5) the provider submits false attendance reports or refuses to provide documentation of the child's attendance upon request;

(6) the provider gives false child care price information; or

(7) the provider fails to report decreases in a child's attendance as required under section 119B.125, subdivision 9.

(e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), ~~the county or~~ the commissioner may withhold the provider's authorization or payment for a period of time not to exceed three months beyond the time the condition has been corrected.

(f) A county's payment policies must be included in the county's child care plan under section 119B.08, subdivision 3. If payments are made by the state, in addition to being in compliance with this subdivision, the payments must be made in compliance with section 16A.124.

(g) If the commissioner ~~or responsible county agency~~ suspends or refuses payment to a provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:

(1) a disqualification for wrongfully obtaining assistance under section 256.98, subdivision 8, paragraph (c);

(2) an administrative disqualification under section 256.046, subdivision 3; or

(3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or 245E.06;

then the provider forfeits the payment to the commissioner or the responsible county agency, regardless of the amount assessed in an overpayment, charged in a criminal complaint, or ordered as criminal restitution.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 18. Minnesota Statutes 2022, section 119B.16, subdivision 1a, is amended to read:

Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers caring for children receiving child care assistance.

(b) A provider may request a fair hearing according to sections 256.045 and 256.046 only if a county agency or the commissioner:

(1) denies or revokes a provider's authorization, unless the action entitles the provider to:

(i) an administrative review under section 119B.161; or

(ii) a contested case hearing under section 245.095, subdivision 4;

(2) assigns responsibility for an overpayment to a provider under section 119B.11, subdivision 2a;

(3) establishes an overpayment for failure to comply with section 119B.125, subdivision 6;

(4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4, paragraph (c), clause (2);

(5) initiates an administrative fraud disqualification hearing; or

(6) issues a payment and the provider disagrees with the amount of the payment.

(c) A provider may request a fair hearing by submitting a written request to the Department of Human Services, Appeals Division. A provider's request must be received by the Appeals Division no later than 30 days after the date a county or the commissioner mails the notice.

(d) The provider's appeal request must contain the following:

(1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the dollar amount involved for each disputed item;

(2) the computation the provider believes to be correct, if applicable;

(3) the statute or rule relied on for each disputed item; and

(4) the name, address, and telephone number of the person at the provider's place of business with whom contact may be made regarding the appeal.

Sec. 19. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision 1a, paragraph (b), a county agency or the commissioner must mail written notice to the provider against whom the action is being taken. Unless otherwise specified under this chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the commissioner must mail the written notice at least 15 calendar days before the adverse action's effective date.

(b) The notice shall state (1) the factual basis for the county agency or department's determination, (2) the action the county agency or department intends to take, (3) the dollar amount of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal the department's proposed action.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 20. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

Subd. 3. **Fair hearing stayed.** (a) If ~~a county agency or~~ the commissioner denies or revokes a provider's authorization based on a licensing action under section 245A.07, and the provider appeals, the provider's fair hearing must be stayed until the commissioner issues an order as required under section 245A.08, subdivision 5.

(b) If the commissioner denies or revokes a provider's authorization based on decertification under section 245H.07, and the provider appeals, the provider's fair hearing must be stayed until the commissioner issues a final order as required under section 245H.07.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 21. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

Subd. 2. **Notice.** (a) ~~A county agency or~~ The commissioner must mail written notice to a provider within five days of suspending payment or denying or revoking the provider's authorization under subdivision 1.

(b) The notice must:

(1) state the provision under which ~~a county agency or~~ the commissioner is denying, revoking, or suspending the provider's authorization or suspending payment to the provider;

(2) set forth the general allegations leading to the denial, revocation, or suspension of the provider's authorization. The notice need not disclose any specific information concerning an ongoing investigation;

(3) state that the denial, revocation, or suspension of the provider's authorization is for a temporary period and explain the circumstances under which the action expires; and

(4) inform the provider of the right to submit written evidence and argument for consideration by the commissioner.

(c) Notwithstanding Minnesota Rules, part 3400.0185, if ~~a county agency or~~ the commissioner suspends payment to a provider under chapter 245E or denies or revokes a provider's authorization under section 119B.13, subdivision 6, paragraph (d), clause (1) or (2), a county agency or the commissioner must send notice of service authorization closure to each affected family. The notice sent to an affected family is effective on the date the notice is created.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 22. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

Subd. 3. **Duration.** If a provider's payment is suspended under chapter 245E or a provider's authorization is denied or revoked under section 119B.13, subdivision 6, paragraph (d), clause (1) or (2), the provider's denial, revocation, temporary suspension, or payment suspension remains in effect until:

(1) the commissioner or a law enforcement authority determines that there is insufficient evidence warranting the action and ~~a county agency or~~ the commissioner does not pursue an additional administrative remedy under chapter 245E or section 256.98; or

(2) all criminal, civil, and administrative proceedings related to the provider's alleged misconduct conclude and any appeal rights are exhausted.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 23. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

(a) If a provider believes that the contents of the commissioner's correction order issued under chapter 245E are in error, the provider may ask the commissioner to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner or submitted in the provider licensing and reporting hub within 30 calendar days from the date the correction order was mailed or issued through the hub to the provider, and:

(1) specify the parts of the correction order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

(b) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration.

(c) A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The commissioner's decision is appealable by petition for writ of certiorari under chapter 606.

Sec. 24. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

Subd. 7. **Child care resource and referral programs.** Within each region, a child care resource and referral program must:

(1) maintain one database of all existing child care resources and services and one database of family referrals;

(2) provide a child care referral service for families;

(3) develop resources to meet the child care service needs of families;

(4) increase the capacity to provide culturally responsive child care services;

(5) coordinate professional development opportunities for child care and school-age care providers;

(6) administer and award child care services grants;

(7) cooperate with the Minnesota Child Care Resource and Referral Network and its member programs to develop effective child care services and child care resources; ~~and~~

(8) assist in fostering coordination, collaboration, and planning among child care programs and community programs such as school readiness, Head Start, early childhood family education, local interagency early intervention committees, early childhood screening, special education services, and other early childhood care and education services and programs that provide flexible, family-focused services to families with young children to the extent possible; ~~and~~

(9) administer the child care one-stop regional assistance network to assist child care providers and individuals interested in becoming child care providers with establishing and sustaining a licensed family child care or group family child care program or a child care center.

Sec. 25. **[119B.196] FAMILY, FRIEND, AND NEIGHBOR GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a family, friend, and neighbor (FFN) grant program to promote children's social-emotional learning and healthy development, early literacy, and other skills to succeed as learners and to foster community partnerships that will help children thrive when they enter school.

Subd. 2. **Grant awards.** The commissioner may award grants under this section to the following entities working with FFN caregivers: community-based organizations, nonprofit organizations, local or regional libraries, local public health agencies, and Indian Tribes and Tribal organizations. Grantees may use grant money received under this section to:

(1) provide culturally and linguistically appropriate training, support, and resources to FFN caregivers and children's families to improve and promote children's health, safety, nutrition, and learning;

(2) connect FFN caregivers and children's families with community resources that support the families' physical and mental health and economic and developmental needs;

(3) connect FFN caregivers and children's families to early childhood screening programs and facilitate referrals to state and local agencies, schools, community organizations, and medical providers, as appropriate;

(4) provide FFN caregivers and children's families with information about high-quality, community-based early care and learning programs and financial assistance available to the families, including but not limited to child care assistance under chapter 119B and early learning scholarships under section 124D.165;

(5) provide FFN caregivers with information about registering as a legal nonlicensed child care provider under section 119B.011, subdivision 16, and establishing a licensed family or group family child care program;

(6) provide transportation for FFN caregivers and children's families to educational and other early childhood training activities;

(7) translate materials for FFN caregivers and children's families and provide translation services to FFN caregivers and children's families;

(8) develop and disseminate social-emotional learning, health and safety, and early learning kits to FFN caregivers; and

(9) establish play and learning groups for FFN caregivers.

Subd. 3. **Administration.** Applicants must apply for the grants using the forms and according to timelines established by the commissioner.

Subd. 4. **Reporting requirements.** (a) Grantees shall provide data and program outcomes to the commissioner in a form and manner specified by the commissioner for the purpose of evaluating the grant program.

(b) Beginning February 1, 2024, and every two years thereafter, the commissioner shall report to the legislature on program outcomes.

Sec. 26. **[119B.27] GREAT START COMPENSATION SUPPORT PAYMENTS.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish and administer the great start compensation support payment program to provide eligible child care and early learning programs with payments to improve access to early care and learning in Minnesota and to strengthen the ability of child care early learning programs to recruit and retain qualified early educators to work in early care and learning programs.

Subd. 2. **Eligible programs.** (a) The following programs are eligible to receive payments under this section:

(1) family and group family child care homes licensed under Minnesota Rules, chapter 9502;

(2) child care centers licensed under Minnesota Rules, chapter 9503;

(3) certified license-exempt child care centers under chapter 245H;

(4) Tribally licensed child care programs; and

(5) other programs as determined by the commissioner.

(b) To be eligible, programs must not be:

(1) the subject of a finding of fraud for which the program or individual is currently serving a penalty or exclusion;

(2) the subject of suspended, denied, or terminated payments to a provider under section 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02, subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

(3) prohibited from receiving public money under section 245.095, regardless of whether the action is under appeal; or

(4) under license revocation, suspension, temporary immediate suspension, or decertification, regardless of whether the action is under appeal.

Subd. 3. **Requirements.** (a) As a condition of payment, all providers receiving retention payments under this section must:

(1) complete an application developed by the commissioner for each payment period for which the eligible program applies for funding;

(2) submit data on child enrollment and attendance to the commissioner in the form and manner specified by the commissioner; and

(3) attest and agree in writing that the program was open and operating and served a minimum number of children, as determined by the commissioner, during the funding period, with the exceptions of:

(i) service disruptions that are necessary to protect the safety and health of children and child care programs based on public health guidance issued by the Centers for Disease Control and Prevention, the commissioner of health, the commissioner of human services, or a local public health agency; and

(ii) planned temporary closures for provider vacation and holidays during each payment period. The maximum allowed duration of vacations and holidays must be established by the commissioner.

(b) Money received under this section must be expended by a provider no later than six months after the date the payment was received.

(c) Recipients must comply with all requirements listed in the application under this section. Methods for demonstrating that requirements have been met shall be determined by the commissioner.

(d) Recipients must keep accurate and legible records of the following at the site where services are delivered:

(1) use of money;

(2) attendance records. Daily attendance records must be completed every day and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times that the child was dropped off and picked up from the provider must be entered by the person dropping off or picking up the child; and

(3) staff employment, compensation, and benefits records. Employment, compensation, and benefits records must include time sheets or other records of daily hours worked; documentation of compensation and benefits; documentation of written changes to employees' rate or rates of pay and basis thereof as a result of support payments, as required under section 181.032; and any other records required to be maintained under section 177.30.

(e) The requirement to document compensation and benefits only applies to family child care providers if support payment money is used for employee compensation and benefits.

(f) All records must be retained at the site where services are delivered for six years after the date of receipt of payment and be made immediately available to the commissioner upon request. Any records not provided to the commissioner at the date and time of the request are deemed inadmissible if offered as evidence by a provider in any proceeding to contest an overpayment or disqualification of the provider.

(g) Recipients that fail to meet the requirements under this section are subject to discontinuation of future installment payments, recovery of overpayments, and actions under chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment must be made within six years of receipt of the payments. Once an overpayment is established, collection may continue until money has been repaid in full. The appeal process under section 119B.16 applies to actions taken for failure to meet the requirements of this section.

Subd. 4. Providing payments. (a) The commissioner shall provide support payments under this section to all eligible programs on a noncompetitive basis.

(b) The commissioner shall award support payments to all eligible programs. The payment amounts shall be based on the number of full-time equivalent staff who regularly care for children in the program, including any employees, sole proprietors, or independent contractors.

(c) One full-time equivalent is defined as an individual caring for children 32 hours per week. An individual can count as more or less than one full-time equivalent staff, but as no more than two full-time equivalent staff.

(d) The amount awarded per full-time equivalent individual caring for children for each payment type must be established by the commissioner.

(e) Payments must be increased by 25 percent for providers receiving payments through the child care assistance programs under section 119B.03 or 119B.05 or early learning scholarships under section 124D.165 or whose program is located in a child care access equity area. Child care access equity areas are areas with low access to child care, high poverty rates, high unemployment rates, low home ownership rates, and low median household incomes. The commissioner must develop a method for establishing child care access equity areas.

(f) The commissioner shall make payments to eligible programs under this section in the form, frequency, and manner established by the commissioner.

Subd. 5. Eligible uses of money. (a) Recipients that are child care centers licensed under Minnesota Rules, chapter 9503; certified license-exempt child care centers under chapter 245H; or Tribally licensed child care centers must use money provided under this section to pay for increases in compensation, benefits, premium pay, or additional federal taxes assessed on the compensation of employees as a result of paying increased compensation or premium pay to all paid employees or independent contractors regularly caring for children. The increases in this paragraph must occur no less frequently than once per year.

(b) Recipients that are family and group family child care homes licensed under Minnesota Rules, chapter 9502, or are Tribally licensed family child care homes shall use money provided under this section for one or more of the following uses:

(1) paying personnel costs, such as payroll, salaries, or similar compensation; employee benefits; premium pay; or financial incentives for recruitment and retention for an employee, a sole proprietor, or an independent contractor;

(2) paying rent, including rent under a lease agreement, or making payments on any mortgage obligation, utilities, facility maintenance or improvements, property taxes, or insurance;

(3) purchasing or updating equipment, supplies, goods, or services;

(4) providing mental health supports for children; or

(5) purchasing training or other professional development.

Subd. 6. **Report.** By January 1 each year, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over child care and early learning the number of payments provided to recipients and outcomes of the support payment program since the last report. This subdivision expires January 31, 2033.

Subd. 7. **Carryforward authority.** Funds appropriated under this section are available until expended.

Sec. 27. **[119B.28] SHARED SERVICES GRANTS.**

(a) The commissioner of human services shall establish a grant program to distribute money for the planning, establishment, expansion, improvement, or operation of shared services alliances to allow family child care providers to achieve economies of scale. The commissioner must develop a process to fund organizations to operate shared services alliances that includes application forms, timelines, and standards for renewal. For purposes of this section, "shared services alliances" means networks of licensed family child care providers that share services to reduce costs and achieve efficiencies.

(b) Programs eligible to be a part of the shared services alliances supported through this grant program include:

(1) family child care or group family child care homes licensed under Minnesota Rules, chapter 9502;

(2) Tribally licensed family child care or group family child care; and

(3) individuals in the process of starting a family child care or group family child care home.

(c) Eligible applicants include public entities and private for-profit and nonprofit organizations.

(d) Grantees shall use the grant money to deliver one or more of the following services:

(1) pooling the management of payroll and benefits, banking, janitorial services, food services, and other operations;

(2) shared administrative staff for tasks such as record keeping and reporting for programs such as the child care assistance program, Head Start, the child and adult care food program, and early learning scholarships;

(3) coordination of bulk purchasing;

(4) management of a substitute pool;

(5) support for implementing shared curriculum and assessments;

(6) mentoring child care provider participants to improve business practices;

(7) provision of and training in child care management software to simplify processes such as enrollment, billing, and tracking expenditures;

(8) support for a group of providers sharing one or more physical spaces within a larger building; or

(9) other services as determined by the commissioner.

(e) The commissioner must develop a process by which grantees will report to the Department of Human Services on activities funded by the grant.

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

Sec. 28. **[119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY GRANTS.**

(a) The commissioner of human services shall distribute money provided by this section through grants to one or more organizations to offer grants or other supports to child care providers for technology intended to improve the providers' business practices. The commissioner must develop a process to fund organizations to provide technology supports that includes application forms, timelines, reporting requirements, and standards for renewal.

(b) Programs eligible to be supported through this grant program include:

(1) child care centers licensed under Minnesota Rules, chapter 9503;

(2) family or group family child care homes licensed under Minnesota Rules, chapter 9502; and

(3) Tribally licensed centers, family child care, and group family child care.

(c) Eligible applicants include public entities and private for-profit and nonprofit organizations with the ability to develop technology products for child care business management or offer training, technical assistance, coaching, or other supports for child care providers to use technology products for child care business management.

(d) Grantees shall use the grant money, either directly or through grants to providers, for one or more of the following purposes:

(1) the purchase of computers or mobile devices for use in business management;

(2) access to the Internet through the provision of necessary hardware such as routers or modems or by covering the costs of monthly fees for Internet access;

(3) covering the costs of subscription to child care management software;

(4) covering the costs of training in the use of technology for business management purposes; and

(5) other services as determined by the commissioner.

Sec. 29. Minnesota Statutes 2022, section 245C.04, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, at least upon application for initial license for all license types.

(b) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, including a child care background study subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed child care center, certified license-exempt child care center, or legal nonlicensed child care provider, on a schedule determined by the commissioner. Except as provided in section 245C.05, subdivision 5a, a child care background study must include submission of fingerprints for a national criminal history record check and a review of the information under section 245C.08. A background study for a child care program must be repeated within five years from the most recent study conducted under this paragraph.

(c) At reauthorization or when a new background study is needed under section 119B.125, subdivision 1a, for a legal nonlicensed child care provider authorized under chapter 119B:

(1) for a background study affiliated with a legal nonlicensed child care provider, the individual shall provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed under section 245C.05, subdivision 5; and

(2) the commissioner shall verify the information received under clause (1) and submit the request in NETStudy 2.0 to complete the background study.

~~(c)~~ (d) At reapplication for a family child care license:

(1) for a background study affiliated with a licensed family child care center ~~or legal nonlicensed child care provider~~, the individual shall provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be fingerprinted and photographed under section 245C.05, subdivision 5;

(2) the county agency shall verify the information received under clause (1) and forward the information to the commissioner and submit the request in NETStudy 2.0 to complete the background study; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08.

~~(d)~~ (e) The commissioner is not required to conduct a study of an individual at the time of reapplication for a license if the individual's background study was completed by the commissioner of human services and the following conditions are met:

(1) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder;

(2) the individual has been continuously affiliated with the license holder since the last study was conducted; and

(3) the last study of the individual was conducted on or after October 1, 1995.

~~(e)~~ (f) The commissioner of human services shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with a child foster family setting license holder:

(1) the county or private agency shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1 and 5, when the child foster family setting applicant or license holder resides in the home where child foster care services are provided; and

(2) the background study conducted by the commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, 3, and 4.

~~(g)~~ (g) The commissioner shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with an adult foster care or family adult day services and with a family child care license holder or a legal nonlicensed child care provider authorized under chapter 119B and:

(1) except as provided in section 245C.05, subdivision 5a, the county shall collect and forward to the commissioner the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted by the commissioner for all family adult day services, for adult foster care when the adult foster care license holder resides in the adult foster care residence, and for family child care and legal nonlicensed child care authorized under chapter 119B;

(2) the license holder shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background studies conducted by the commissioner for adult foster care when the license holder does not reside in the adult foster care residence; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

~~(h)~~ (h) Applicants for licensure, license holders, and other entities as provided in this chapter must submit completed background study requests to the commissioner using the electronic system known as NETStudy before individuals specified in section 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

~~(i)~~ (i) For an individual who is not on the entity's active roster, the entity must initiate a new background study through NETStudy when:

(1) an individual returns to a position requiring a background study following an absence of 120 or more consecutive days; or

(2) a program that discontinued providing licensed direct contact services for 120 or more consecutive days begins to provide direct contact licensed services again.

The license holder shall maintain a copy of the notification provided to the commissioner under this paragraph in the program's files. If the individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

~~(j)~~ (j) For purposes of this section, a physician licensed under chapter 147, advanced practice registered nurse licensed under chapter 148, or physician assistant licensed under chapter 147A is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's, advanced practice registered nurse's, or physician assistant's background study results.

~~(k)~~ (k) For purposes of family child care, a substitute caregiver must receive repeat background studies at the time of each license renewal.

~~(l)~~ (l) A repeat background study at the time of license renewal is not required if the family child care substitute caregiver's background study was completed by the commissioner on or after October 1, 2017, and the substitute caregiver is on the license holder's active roster in NETStudy 2.0.

~~(m)~~ (m) Before and after school programs authorized under chapter 119B, are exempt from the background study requirements under section 123B.03, for an employee for whom a background study under this chapter has been completed.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 30. Minnesota Statutes 2022, section 245C.05, subdivision 4, is amended to read:

Subd. 4. **Electronic transmission.** (a) For background studies conducted by the Department of Human Services, the commissioner shall implement a secure system for the electronic transmission of:

(1) background study information to the commissioner;

(2) background study results to the license holder;

(3) background study information obtained under this section and section 245C.08 to counties and private agencies for background studies conducted by the commissioner for child foster care, including a summary of nondisqualifying results, except as prohibited by law; and

(4) background study results to county agencies for background studies conducted by the commissioner for adult foster care and family adult day services and, upon implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B.~~

(b) Unless the commissioner has granted a hardship variance under paragraph (c), a license holder or an applicant must use the electronic transmission system known as NETStudy or NETStudy 2.0 to submit all requests for background studies to the commissioner as required by this chapter.

(c) A license holder or applicant whose program is located in an area in which high-speed Internet is inaccessible may request the commissioner to grant a variance to the electronic transmission requirement.

(d) Section 245C.08, subdivision 3, paragraph (c), applies to results transmitted under this subdivision.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 31. Minnesota Statutes 2022, section 245C.17, subdivision 6, is amended to read:

Subd. 6. **Notice to county agency.** For studies on individuals related to a license to provide adult foster care when the applicant or license holder resides in the adult foster care residence and family adult day services and, effective upon implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B,~~ the commissioner shall also provide a notice of the background study results to the county agency that initiated the background study.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 32. Minnesota Statutes 2022, section 245C.23, subdivision 2, is amended to read:

Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The commissioner shall notify the license holder of the disqualification and order the license holder to immediately remove the individual from any position allowing direct contact with persons receiving services from the license holder if:

(1) the individual studied does not submit a timely request for reconsideration under section 245C.21;

(2) the individual submits a timely request for reconsideration, but the commissioner does not set aside the disqualification for that license holder under section 245C.22, unless the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

(3) an individual who has a right to request a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does not request a hearing within the specified time; or

(4) an individual submitted a timely request for a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the disqualification under section 245A.08, subdivision 5, or 256.045.

(b) If the commissioner does not set aside the disqualification under section 245C.22, and the license holder was previously ordered under section 245C.17 to immediately remove the disqualified individual from direct contact with persons receiving services or to ensure that the individual is under continuous, direct supervision when providing direct contact services, the order remains in effect pending the outcome of a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14.

(c) If the commissioner does not set aside the disqualification under section 245C.22, and the license holder was not previously ordered under section 245C.17 to immediately remove the disqualified individual from direct contact with persons receiving services or to ensure that the individual is under continuous direct supervision when providing direct contact services, the commissioner shall order the individual to remain under continuous direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14.

(d) For background studies related to child foster care when the applicant or license holder resides in the home where services are provided, the commissioner shall also notify the county or private agency that initiated the study of the results of the reconsideration.

(e) For background studies related to family child care, ~~legal nonlicensed child care~~, adult foster care programs when the applicant or license holder resides in the home where services are provided, and family adult day services, the commissioner shall also notify the county that initiated the study of the results of the reconsideration.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 33. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

Subd. 3. **Appeal of department action.** A provider's rights related to the department's action taken under this chapter against a provider are established in sections 119B.16 ~~and~~, 119B.161, 119B.162, and 245.095, subdivision 4.

Sec. 34. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

Subd. 3. **Administrative disqualification of child care providers caring for children receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an administrative disqualification, if the child care provider is accused of committing an intentional program violation, in lieu of a criminal action when it has not been pursued. Intentional program violations include intentionally making false or misleading statements; intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under chapters 119B and 245E. Intent may be proven by demonstrating a pattern of conduct that violates program rules under chapters 119B and 245E.

(b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner must mail written notice by certified mail to the provider against whom the action is being taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar days before the adverse action's effective date. The notice shall state (1) the factual basis for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal the agency's proposed action.

(c) The provider may appeal an administrative disqualification by submitting a written request to the Department of Human Services, Appeals Division. A provider's request must be received by the Appeals Division no later than 30 days after the date ~~a local agency or~~ the commissioner mails the notice.

(d) The provider's appeal request must contain the following:

(1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the dollar amount involved for each disputed item;

(2) the computation the provider believes to be correct, if applicable;

(3) the statute or rule relied on for each disputed item; and

(4) the name, address, and telephone number of the person at the provider's place of business with whom contact may be made regarding the appeal.

(e) On appeal, the issuing agency bears the burden of proof to demonstrate by a preponderance of the evidence that the provider committed an intentional program violation.

(f) The hearing is subject to the requirements of sections 256.045 and 256.0451. The human services judge may combine a fair hearing and administrative disqualification hearing into a single hearing if the factual issues arise out of the same or related circumstances and the provider receives prior notice that the hearings will be combined.

(g) A provider found to have committed an intentional program violation and is administratively disqualified shall be disqualified, for a period of three years for the first offense and permanently for any subsequent offense, from receiving any payments from any child care program under chapter 119B.

(h) Unless a timely and proper appeal made under this section is received by the department, the administrative determination of the department is final and binding.

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 35. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

Subd. 5. **Child care providers; financial misconduct.** (a) A county or tribal agency may conduct investigations of financial misconduct by child care providers as described in chapter 245E. Prior to opening an investigation, a county or tribal agency must contact the commissioner to determine whether an investigation under this chapter may compromise an ongoing investigation.

(b) If, upon investigation, a preponderance of evidence shows a provider committed an intentional program violation, intentionally gave the county or tribe materially false information on the provider's billing forms, provided false attendance records to a county, tribe, or the commissioner, or committed financial misconduct as described in section 245E.01, subdivision 8, the county or tribal agency may recommend that the commissioner suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to pursuing other available remedies. ~~The county or tribe must send notice in accordance with the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended under this section, the payment suspension shall remain in effect until: (1) the commissioner, county, tribe, or a law enforcement authority determines that there is insufficient evidence warranting the action and a county, tribe, or the commissioner does not pursue an additional administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2) all criminal, civil, and administrative proceedings related to the provider's alleged misconduct conclude and any appeal rights are exhausted.~~

~~(c) For the purposes of this section, an intentional program violation includes intentionally making false or misleading statements; intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under chapters 119B and 245E.~~

~~(d) A provider has the right to administrative review under section 119B.161 if: (1) payment is suspended under chapter 245E; or (2) the provider's authorization was denied or revoked under section 119B.13, subdivision 6, paragraph (d), clause (2).~~

EFFECTIVE DATE. This section is effective April 28, 2025.

Sec. 36. **DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE STABILIZATION GRANTS.**

(a) The commissioner of human services must continue providing child care stabilization grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July 1, 2023, through no later than December 31, 2023.

(b) The commissioner shall award transition child care stabilization grant amounts to all eligible programs. The transition month grant amounts must be based on the number of full-time equivalent staff who regularly care for children in the program, including employees, sole proprietors, or independent contractors. One full-time equivalent staff is defined as an individual caring for children 32 hours per week. An individual can count as more, or less, than one full-time equivalent staff, but as no more than two full-time equivalent staff.

Sec. 37. **DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD CARE ASSISTANCE RATES.**

Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the commissioner must allocate the additional basic sliding fee child care money for calendar year 2024 to counties and Tribes for updated maximum rates based on relative need to cover maximum rate increases. In distributing the additional money, the commissioner shall consider the following factors by county and Tribe:

- (1) the number of children;
- (2) the provider type;
- (3) the age of children served; and
- (4) the amount of the increase in maximum rates.

Sec. 38. **DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING FEE MONEY.**

Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the commissioner of human services must allocate additional basic sliding fee child care money for calendar year 2025 to counties and Tribes to account for the change in the definition of family in Minnesota Statutes, section 119B.011, in this article. In allocating the additional money, the commissioner shall consider:

- (1) the number of children in the county or Tribe who receive care from a relative custodian who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodian or guardian as established according to section 256N.22, subdivision 10; or foster parents in a family foster home under section 260C.007, subdivision 16b; and
- (2) the average basic sliding fee cost of care in the county or Tribe.

Sec. 39. **REPEALER.**

- (a) Minnesota Statutes 2022, section 119B.03, subdivision 4, is repealed.
- (b) Minnesota Statutes 2022, section 245C.11, subdivision 3, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective April 28, 2025.

ARTICLE 2
CHILD SAFETY AND PERMANENCY

Section 1. **[256.4792] SUPPORT BEYOND 21 GRANT PROGRAM.**

Subdivision 1. **Establishment and authority.** The commissioner shall establish the support beyond 21 grant program to distribute grants to one or more community-based organizations to provide services and financial support to youth eligible for the support beyond 21 program under section 260C.451, subdivision 8b.

Subd. 2. **Distribution of money by the grantee.** (a) The grantee shall distribute support beyond 21 grant program money to eligible youth to be used for basic well-being needs and housing as determined solely by the youth.

(b) The grantee shall distribute support beyond 21 grant money to eligible youth on a monthly basis for 12 months.

(c) Once a youth has completed the program, the youth must receive a stipend to complete an exit survey on the youth's experiences in the program.

(d) A grantee may not deny funding to a youth based on any criteria beyond a youth's eligibility for the support beyond 21 program under section 260C.451, subdivision 8b.

Subd. 3. **Reporting.** The selected grantee or grantees must report quarterly to the commissioner of human services in order to receive the quarterly payment. The selected grantee or grantees must include the following information in a quarterly report:

- (1) a list of eligible youth who have been referred;
- (2) the amount of money that has been distributed to each youth per month;
- (3) any surveys completed by youth leaving the support beyond 21 program; and
- (4) other data as determined by the commissioner.

Sec. 2. **[256.4793] FAMILY FIRST PREVENTION SERVICES ACT SUPPORT AND DEVELOPMENT GRANT PROGRAM.**

Subdivision 1. **Authorization.** The commissioner shall establish a grant program to support prevention and early intervention services provided by community-based agencies to implement and build upon Minnesota's Family First Prevention Services Act Title IV-E prevention services plan.

Subd. 2. **Uses.** Funds granted to community-based agencies must be used to:

- (1) implement or expand any Family First Prevention Services Act service or program that is included in Minnesota's prevention services plan;
- (2) implement or expand any proposed future Family First Prevention Services Act service or program;
- (3) implement or expand any prevention or family preservation service or programming; or
- (4) evaluate any of the above programs or services.

Subd. 3. **Special revenue account established.** Funds appropriated under this section shall be transferred to a special revenue account. The commissioner shall retain federal reimbursement generated under this section. Federal reimbursement shall be transferred to the special revenue account.

Sec. 3. [256.4794] FAMILY FIRST PREVENTION SERVICES ACT KINSHIP NAVIGATOR PROGRAM.

Subdivision 1. **Authorization.** The commissioner shall establish a grant program for Kinship Navigator programs as outlined by the federal Family First Prevention Services Act.

Subd. 2. **Uses.** Eligible grantees must use funds to assess kinship caregiver needs, provide connection to local and statewide resources, provide case management to assist with complex cases, and provide support to meet caregiver needs.

Subd. 3. **Special revenue account established.** Funds appropriated under this section shall be transferred to a special revenue account. The commissioner shall retain federal reimbursement generated under this section. Federal reimbursement shall be transferred to the special revenue account.

Sec. 4. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:

Subd. 12. **Approval of initial assessments, special assessments, and reassessments.** (a) Any agency completing initial assessments, special assessments, or reassessments must designate one or more supervisors or other staff to examine and approve assessments completed by others in the agency under subdivision 2. The person approving an assessment must not be the case manager or staff member completing that assessment.

(b) In cases where a special assessment or reassessment for Northstar kinship assistance and adoption assistance is required under subdivision 8 or 11, the commissioner shall review and approve the assessment as part of the eligibility determination process outlined in section 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision 7, for adoption assistance. The assessment determines the maximum of the negotiated agreement amount under section 256N.25.

(c) The effective date of the new rate is ~~effective the calendar month that the assessment is approved, or the effective date of the agreement, whichever is later,~~ determined as follows:

(1) for initial assessments of children in foster care, the new rate is effective based on the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision 6;

(2) for special assessments, the new rate is effective on the date of the finalized adoption decree or the date of the court order that transfers permanent legal and physical custody to a relative;

(3) for postpermanency reassessments, the new rate is effective on the date that the commissioner signs the amendment to the Northstar Adoption Assistance or Northstar Kinship Assistance benefit agreement.

Sec. 5. [260.014] FAMILY FIRST PREVENTION AND EARLY INTERVENTION ALLOCATION PROGRAM.

Subdivision 1. **Authorization.** The commissioner shall establish a program that allocates money to counties and federally recognized Tribes in Minnesota to provide prevention and early intervention services under the Family First Prevention Services Act.

Subd. 2. **Uses.** (a) Money allocated to counties and Tribes may be used for the following purposes:

- (1) to implement or expand any service or program that is included in the state's prevention plan;
- (2) to implement or expand any proposed service or program;
- (3) to implement or expand any existing service or program; and
- (4) any other use approved by the commissioner.

A county or a Tribe must use at least ten percent of the allocation to provide services and supports directly to families.

Subd. 3. **Payments.** (a) The commissioner shall allocate state money appropriated under this section to each county board or Tribe on a calendar-year basis using a formula established by the commissioner.

(b) Notwithstanding this subdivision, to the extent that money is available, no county or Tribe may be allocated less than:

- (1) \$25,000 in calendar year 2024;
- (2) \$50,000 in calendar year 2025; and
- (3) \$75,000 in calendar year 2026 and each year thereafter.

(c) A county agency or an initiative Tribe must submit a plan and report the use of money as determined by the commissioner.

(d) The commissioner may distribute money under this section for a two-year period.

Subd. 4. **Prohibition on supplanting existing money.** Money received under this section must be used to address prevention and early intervention staffing, programming, and other activities as determined by the commissioner. Money must not be used to supplant current county or Tribal expenditures for these purposes.

Sec. 6. Minnesota Statutes 2022, section 260.761, subdivision 2, as amended by Laws 2023, chapter 16, section 16, is amended to read:

Subd. 2. Notice to Tribes of services or court proceedings involving an Indian child. (a) When a child-placing agency has information that a family assessment ~~or~~ investigation, or noncaregiver sex trafficking assessment being conducted may involve an Indian child, the child-placing agency shall notify the Indian child's Tribe of the family assessment ~~or~~ investigation, or noncaregiver sex trafficking assessment according to section 260E.18. ~~The child-placing agency shall provide initial notice shall be provided~~ by telephone and by email or facsimile and shall include the child's full name and date of birth; the full names and dates of birth of the child's biological parents; and if known the full names and dates of birth of the child's grandparents and of the child's Indian custodian. If information regarding the child's grandparents or Indian custodian is not immediately available, the child-placing agency shall continue to request this information and shall notify the Tribe when it is received. Notice shall be provided to all Tribes to which the child may have any Tribal lineage. The child-placing agency shall request that the Tribe or a designated Tribal representative participate in evaluating the family circumstances, identifying family and Tribal community resources, and developing case plans. The child-placing agency shall continue to include the Tribe in service planning and updates as to the progress of the case.

(b) When a child-placing agency has information that a child receiving services may be an Indian child, the child-placing agency shall notify the Tribe by telephone and by email or facsimile of the child's full name and date of birth, the full names and dates of birth of the child's biological parents, and, if known, the full names and dates of birth of the child's grandparents and of the child's Indian custodian. This notification must be provided ~~so~~ for the

Tribe ~~can~~ to determine if the child is a member or eligible for Tribal membership in the Tribe, and must be provided the agency must provide this notification to the Tribe within seven days of receiving information that the child may be an Indian child. If information regarding the child's grandparents or Indian custodian is not available within the seven-day period, the child-placing agency shall continue to request this information and shall notify the Tribe when it is received. Notice shall be provided to all Tribes to which the child may have any Tribal lineage.

(c) In all child placement proceedings, when a court has reason to believe that a child placed in emergency protective care is an Indian child, the court administrator or a designee shall, as soon as possible and before a hearing takes place, notify the Tribal social services agency by telephone and by email or facsimile of the date, time, and location of the emergency protective care or other initial hearing. The court shall make efforts to allow appearances by telephone or video conference for Tribal representatives, parents, and Indian custodians.

(d) The child-placing agency or individual petitioner shall effect service of any petition governed by sections 260.751 to 260.835 by certified mail or registered mail, return receipt requested upon the Indian child's parents, Indian custodian, and Indian child's Tribe at least 10 days before the admit-deny hearing is held. If the identity or location of the Indian child's parents or Indian custodian and Tribe cannot be determined, the child-placing agency shall provide the notice required in this paragraph to the United States Secretary of the Interior, Bureau of Indian Affairs by certified mail, return receipt requested.

(e) A Tribe, the Indian child's parents, or the Indian custodian may request up to 20 additional days to prepare for the admit-deny hearing. The court shall allow appearances by telephone, video conference, or other electronic medium for Tribal representatives, the Indian child's parents, or the Indian custodian.

(f) A child-placing agency or individual petitioner must provide the notices required under this subdivision at the earliest possible time to facilitate involvement of the Indian child's Tribe. Nothing in this subdivision is intended to hinder the ability of the child-placing agency, individual petitioner, and the court to respond to an emergency situation. Lack of participation by a Tribe shall not prevent the Tribe from intervening in services and proceedings at a later date. A Tribe may participate in a case at any time. At any stage of the child-placing agency's involvement with an Indian child, the agency shall provide full cooperation to the Tribal social services agency, including disclosure of all data concerning the Indian child. Nothing in this subdivision relieves the child-placing agency of satisfying the notice requirements in state or federal law.

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

Sec. 7. [260.786] CHILD WELFARE STAFF ALLOCATION FOR TRIBES.

Subdivision 1. Allocations. The commissioner shall allocate \$80,000 annually to each of Minnesota's federally recognized Tribes that, at the beginning of the fiscal year, have not joined the American Indian Child welfare initiative under section 256.01, subdivision 14b. Tribes not participating in or planning to join the initiative as of July 1, 2023, are: Bois Fort Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, Grand Portage Band of Lake Superior Chippewa, Lower Sioux Indian Community, Prairie Island Indian Community, and Upper Sioux Indian Community.

Subd. 2. Purposes. Money must be used to address staffing for responding to notifications under the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, to the extent necessary, or to provide other child protection and child welfare services. Money must not be used to supplant current Tribal expenditures for these purposes.

Subd. 3. Reporting. By June 1 each year, Tribes receiving this money shall provide a report to the commissioner. The report shall be written in a manner prescribed by the commissioner and must include an accounting of money spent, staff hired, job duties, and other information as required by the commissioner.

Subd. 4. **Redistribution of money.** If a Tribe joins the American Indian child welfare initiative, the payment for that Tribe shall be distributed equally among the remaining Tribes receiving an allocation under this section.

Sec. 8. Minnesota Statutes 2022, section 260C.007, subdivision 14, is amended to read:

Subd. 14. **Egregious harm.** "Egregious harm" means the infliction of bodily harm to a child or neglect of a child which demonstrates a grossly inadequate ability to provide minimally adequate parental care. The egregious harm need not have occurred in the state or in the county where a termination of parental rights action ~~is otherwise properly venued~~ has proper venue. Egregious harm includes, but is not limited to:

(1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

(2) the infliction of "substantial bodily harm" to a child, as defined in section 609.02, subdivision 7a;

(3) conduct ~~towards~~ toward a child that constitutes felony malicious punishment of a child under section 609.377;

(4) conduct ~~towards~~ toward a child that constitutes felony unreasonable restraint of a child under section 609.255, subdivision 3;

(5) conduct ~~towards~~ toward a child that constitutes felony neglect or endangerment of a child under section 609.378;

(6) conduct ~~towards~~ toward a child that constitutes assault under section 609.221, 609.222, or 609.223;

(7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation, inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section 609.322;

(8) conduct ~~towards~~ toward a child that constitutes murder or voluntary manslaughter as defined by United States Code, title 18, section 1111(a) or 1112(a);

(9) conduct ~~towards~~ toward a child that constitutes aiding or abetting, attempting, conspiring, or soliciting to commit a murder or voluntary manslaughter that constitutes a violation of United States Code, title 18, section 1111(a) or 1112(a); or

(10) conduct toward a child that constitutes criminal sexual conduct under sections 609.342 to 609.345 or sexual extortion under section 609.3458.

Sec. 9. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

Subdivision 1. **Relative search requirements.** (a) The responsible social services agency shall exercise due diligence to identify and notify adult relatives, as defined in section 260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or within 30 days after the child's removal from the parent, regardless of whether a child is placed in a relative's home, as required under subdivision 2. The relative search required by this section shall be comprehensive in scope.

(b) The relative search required by this section shall include both maternal and paternal adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians of the child's siblings; and any other adult relatives suggested by the child's parents, subject to the exceptions due to family violence in subdivision 5, paragraph (b). The search shall also include getting information from the child in an age-appropriate manner about

who the child considers to be family members and important friends with whom the child has resided or had significant contact. The relative search required under this section must fulfill the agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the breakup of the Indian family under United States Code, title 25, section 1912(d), and to meet placement preferences under United States Code, title 25, section 1915.

(c) The responsible social services agency has a continuing responsibility to search for and identify relatives of a child and send the notice to relatives that is required under subdivision 2, unless the court has relieved the agency of this duty under subdivision 5, paragraph (e).

Sec. 10. **[260C.30] COMMUNITY RESOURCE CENTERS.**

Subdivision 1. Definitions. (a) For purposes of this section, the following definitions apply:

(b) "Commissioner" means the commissioner of human services or the commissioner's designee.

(c) "Communities and families furthest from opportunity" means any community or family that experiences inequities in accessing supports and services due to the community's or family's circumstances, including but not limited to racism, income, disability, language, gender, and geography.

(d) "Community resource center" means a community-based coordinated point of entry that provides culturally responsive, relationship-based service navigation and other supportive services for expecting and parenting families and youth.

(e) "Culturally responsive, relationship-based service navigation" means the aiding of families in finding services and supports that are meaningful to them in ways that are built on trust and that use cultural values, beliefs, and practices of families, communities, indigenous families, and Tribal Nations for case planning, service design, and decision-making processes.

(f) "Expecting and parenting family" means any configuration of parents, grandparents, guardians, foster parents, kinship caregivers, and youth who are pregnant or expecting or have children and youth they care for and support.

(g) "Protective factors" means conditions or attributes of individuals, families, communities, and society that mitigate risk; that promote the healthy development and well-being of children, youth, and families; and that are strengths that help buffer and support families.

Subd. 2. Community resource centers established. The commissioner, in consultation with other state agencies, partners, and the Community Resource Center Advisory Council, may award grants to support planning, implementation, and evaluation of community resource centers to provide culturally responsive, relationship-based service navigation, parent, family, and caregiver supports to expecting and parenting families with a focus on ensuring equitable access to programs and services that promote protective factors and support children and families.

Subd. 3. Commissioner's duties; related infrastructure. The commissioner, in consultation with the Community Resource Center Advisory Council, shall:

(1) develop a request for proposals to support community resource centers;

(2) provide outreach and technical assistance to support applicants with data or other matters pertaining to equity of access to funding;

(3) provide technical assistance to grantees, including but not limited to skill building and professional development, trainings, evaluations, communities of practice, networking, and trauma informed mental health consultation;

(4) provide data collection and IT support; and

(5) provide grant coordination and management focused on promoting equity and accountability.

Subd. 4. **Grantee duties.** At a minimum, grantees shall:

(1) provide culturally responsive, relationship-based service navigation and supports for expecting and parenting families;

(2) improve community engagement and feedback gathering to support continuous improvement and program planning to better promote protective factors;

(3) demonstrate community-based planning with multiple partners;

(4) develop or use an existing parent and family advisory council consisting of community members with lived expertise to advise the work of the grantee; and

(5) participate in program evaluation, data collection, and technical assistance activities.

Subd. 5. **Eligibility.** Organizations eligible to receive grant funding under this section include:

(1) community-based organizations, Tribal Nations, urban Indian organizations, local and county government agencies, schools, nonprofit agencies or any cooperative of these organizations; and

(2) organizations or cooperatives supporting communities and families furthest from opportunity.

Subd. 6. **Community Resource Center Advisory Council; establishment and duties.** (a) The commissioner, in consultation with other relevant state agencies, shall appoint members to the Community Resource Center Advisory Council.

(b) Membership must be demographically and geographically diverse and include:

(1) parents and family members with lived experience who lack opportunities;

(2) community-based organizations serving families who lack opportunities;

(3) Tribal and urban American Indian representatives;

(4) county government representatives;

(5) school and school district representatives; and

(6) state partner representatives.

(b) Duties of the Community Resource Center Advisory Council include but are not limited to:

(1) advising the commissioner on the development and funding of a network of community resource centers;

(2) advising the commissioner on the development of requests for proposals and grant award processes;

(3) advising the commissioner on the development of program outcomes and accountability measures; and

(4) advising the commissioner on ongoing governance and necessary support in the implementation of community resource centers.

Subd. 7. **Grantee reporting.** Grantees must report program data and outcomes to the commissioner in a manner determined by the commissioner and the Community Resource Center Advisory Council.

Subd. 8. **Evaluation.** The commissioner, in partnership with the Community Resource Center Advisory Council, shall develop an outcome and evaluation plan. Beginning July 1, 2026, the Community Resource Center Advisory Council must provide a biennial report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services that reflects the duties of the Community Resource Center Advisory Council in subdivision 6 and may describe outcomes and impacts related to equity, community partnerships, program and service availability, child development, family well-being, and child welfare system involvement.

Sec. 11. Minnesota Statutes 2022, section 260C.317, subdivision 3, is amended to read:

Subd. 3. **Order; retention of jurisdiction.** (a) A certified copy of the findings and the order terminating parental rights, and a summary of the court's information concerning the child shall be furnished by the court to the commissioner or the agency to which guardianship is transferred.

(b) The orders shall be on a document separate from the findings. The court shall furnish the guardian a copy of the order terminating parental rights.

(c) When the court orders guardianship pursuant to this section, the guardian ad litem and counsel for the child shall continue on the case until an adoption decree is entered. An in-court appearance hearing must be held every 90 days following termination of parental rights for the court to review progress toward an adoptive placement and the specific recruitment efforts the agency has taken to find an adoptive family for the child and to finalize the adoption or other permanency plan. Review of the progress toward adoption of a child under guardianship of the commissioner of human services shall be conducted according to section 260C.607.

(d) Upon terminating parental rights or upon a parent's consent to adoption under ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, or~~ section 260C.515, subdivision 5 3, resulting in an order for guardianship to the commissioner of human services, the court shall retain jurisdiction:

(1) until the child is adopted;

(2) through the child's minority; or

(3) as long as the child continues in or reenters foster care, until the individual becomes 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

Sec. 12. Minnesota Statutes 2022, section 260C.451, is amended by adding a subdivision to read:

Subd. 8a. **Transition planning.** (a) For a youth who will be discharged from foster care at 21 years of age or older, the responsible social services agency must develop an individual transition plan as directed by the youth during the 180-day period immediately prior to the youth's expected date of discharge according to section 260C.452, subdivision 4. The youth's individual transition plan may be shared with a contracted agency providing case management services to the youth under section 260C.452.

(b) As part of transition planning, the responsible social services agency must inform a youth preparing to leave extended foster care of the youth's eligibility for the support beyond 21 program under subdivision 8b and must include that program in the individual transition plan for the eligible youth. Consistent with section 13.46, the local social services agency or initiative Tribe must refer a youth to the support beyond 21 program by providing the contracted agency with the youth's contact information.

Sec. 13. Minnesota Statutes 2022, section 260C.451, is amended by adding a subdivision to read:

Subd. 8b. **Support beyond 21 program.** (a) The commissioner shall establish the support beyond 21 program to provide financial assistance to a youth leaving foster care to help ensure that the youth's basic needs are met as the youth transitions into adulthood.

(b) An individual who has left extended foster care and was discharged at the age of 21 under subdivision 3 is eligible for the support beyond 21 program.

(c) An eligible youth receiving benefits under the support beyond 21 program is also eligible for the successful transition to adulthood program under section 260C.452.

(d) A youth who transitions to adult residential services under section 256B.092 or 256B.49 or a youth in a correctional facility licensed under section 241.021 is not eligible for the support beyond 21 program.

(e) To the extent that money is available under section 256.4792, an eligible youth who participates in the support beyond 21 program must receive monthly financial assistance for 12 months after the youth is discharged from extended foster care under subdivision 3. The money is available to assist the youth in meeting basic well-being and housing needs as determined solely by the youth. A grantee must reduce monthly payments quarterly. Payments must be made by a grantee according to the requirements of section 256.4792, and a list of counties that failed to provide complete information and data to the commissioner or the commissioner's designee under paragraph (d).

Sec. 14. Minnesota Statutes 2022, section 260C.704, is amended to read:

260C.704 REQUIREMENTS FOR THE QUALIFIED INDIVIDUAL'S ASSESSMENT OF THE CHILD FOR PLACEMENT IN A QUALIFIED RESIDENTIAL TREATMENT PROGRAM.

(a) A qualified individual must complete an assessment of the child prior to the child's placement in a qualified residential treatment program in a format approved by the commissioner of human services unless, due to a crisis, the child must immediately be placed in a qualified residential treatment program. When a child must immediately be placed in a qualified residential treatment program without an assessment, the qualified individual must complete the child's assessment within 30 days of the child's placement. The qualified individual must:

(1) assess the child's needs and strengths, using an age-appropriate, evidence-based, validated, functional assessment approved by the commissioner of human services;

(2) determine whether the child's needs can be met by the child's family members or through placement in a family foster home; or, if not, determine which residential setting would provide the child with the most effective and appropriate level of care to the child in the least restrictive environment;

(3) develop a list of short- and long-term mental and behavioral health goals for the child; and

(4) work with the child's family and permanency team using culturally competent practices.

If a level of care determination was conducted under section 245.4885, that information must be shared with the qualified individual and the juvenile treatment screening team.

(b) The child and the child's parents, when appropriate, may request that a specific culturally competent qualified individual complete the child's assessment. The agency shall make efforts to refer the child to the identified qualified individual to complete the assessment. The assessment must not be delayed for a specific qualified individual to complete the assessment.

(c) The qualified individual must provide the assessment, when complete, to the responsible social services agency. If the assessment recommends placement of the child in a qualified residential treatment facility, the agency must distribute the assessment to the child's parent or legal guardian and file the assessment with the court report as required in section 260C.71, subdivision 2. If the assessment does not recommend placement in a qualified residential treatment facility, the agency must provide a copy of the assessment to the parents or legal guardians and the guardian ad litem and file the assessment determination with the court at the next required hearing as required in section 260C.71, subdivision 5. If court rules and chapter 13 permit disclosure of the results of the child's assessment, the agency may share the results of the child's assessment with the child's foster care provider, other members of the child's family, and the family and permanency team. The agency must not share the child's private medical data with the family and permanency team unless: (1) chapter 13 permits the agency to disclose the child's private medical data to the family and permanency team; or (2) the child's parent has authorized the agency to disclose the child's private medical data to the family and permanency team.

(d) For an Indian child, the assessment of the child must follow the order of placement preferences in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1915.

(e) In the assessment determination, the qualified individual must specify in writing:

(1) the reasons why the child's needs cannot be met by the child's family or in a family foster home. A shortage of family foster homes is not an acceptable reason for determining that a family foster home cannot meet a child's needs;

(2) why the recommended placement in a qualified residential treatment program will provide the child with the most effective and appropriate level of care to meet the child's needs in the least restrictive environment possible and how placing the child at the treatment program is consistent with the short-term and long-term goals of the child's permanency plan; and

(3) if the qualified individual's placement recommendation is not the placement setting that the parent, family and permanency team, child, or tribe prefer, the qualified individual must identify the reasons why the qualified individual does not recommend the parent's, family and permanency team's, child's, or tribe's placement preferences. The out-of-home placement plan under section 260C.708 must also include reasons why the qualified individual did not recommend the preferences of the parents, family and permanency team, child, or tribe.

(f) If the qualified individual determines that the child's family or a family foster home or other less restrictive placement may meet the child's needs, the agency must move the child out of the qualified residential treatment program and transition the child to a less restrictive setting within 30 days of the determination. If the responsible social services agency has placement authority of the child, the agency must make a plan for the child's placement according to section 260C.212, subdivision 2. The agency must file the child's assessment determination with the court at the next required hearing.

(g) If the qualified individual recommends placing the child in a qualified residential treatment program and if the responsible social services agency has placement authority of the child, the agency shall make referrals to appropriate qualified residential treatment programs and, upon acceptance by an appropriate program, place the child in an approved or certified qualified residential treatment program.

(h) The commissioner shall establish a review process for a qualified individual's completed assessment of a child. The commissioner must develop the review process with county and Tribal agency representatives. The review process must ensure that the qualified individual's assessment is an independent, objective assessment that recommends the least restrictive setting to meet the child's needs.

Sec. 15. Minnesota Statutes 2022, section 260C.708, is amended to read:

260C.708 OUT-OF-HOME PLACEMENT PLAN FOR QUALIFIED RESIDENTIAL TREATMENT PROGRAM PLACEMENTS.

(a) When the responsible social services agency places a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, the out-of-home placement plan must include:

- (1) the case plan requirements in section 260C.212;
- (2) the reasonable and good faith efforts of the responsible social services agency to identify and include all of the individuals required to be on the child's family and permanency team under section 260C.007;
- (3) all contact information for members of the child's family and permanency team and for other relatives who are not part of the family and permanency team;
- (4) evidence that the agency scheduled meetings of the family and permanency team, including meetings relating to the assessment required under section 260C.704, at a time and place convenient for the family;
- (5) evidence that the family and permanency team is involved in the assessment required under section 260C.704 to determine the appropriateness of the child's placement in a qualified residential treatment program;
- (6) the family and permanency team's placement preferences for the child in the assessment required under section 260C.704. When making a decision about the child's placement preferences, the family and permanency team must recognize:
 - (i) that the agency should place a child with the child's siblings unless a court finds that placing a child with the child's siblings is not possible due to a child's specialized placement needs or is otherwise contrary to the child's best interests; and
 - (ii) that the agency should place an Indian child according to the requirements of the Indian Child Welfare Act, the Minnesota Family Preservation Act under sections 260.751 to 260.835, and section 260C.193, subdivision 3, paragraph (g);
- (7) when reunification of the child with the child's parent or legal guardian is the agency's goal, evidence demonstrating that the parent or legal guardian provided input about the members of the family and permanency team under section 260C.706;
- (8) when the agency's permanency goal is to reunify the child with the child's parent or legal guardian, the out-of-home placement plan must identify services and supports that maintain the parent-child relationship and the parent's legal authority, decision-making, and responsibility for ongoing planning for the child. In addition, the agency must assist the parent with visiting and contacting the child;
- (9) when the agency's permanency goal is to transfer permanent legal and physical custody of the child to a proposed guardian or to finalize the child's adoption, the case plan must document the agency's steps to transfer permanent legal and physical custody of the child or finalize adoption, as required in section 260C.212, subdivision 1, paragraph (c), clauses (6) and (7); and
- (10) the qualified individual's recommendation regarding the child's placement in a qualified residential treatment program and the court approval or disapproval of the placement as required in section 260C.71.
 - (b) If the placement preferences of the family and permanency team, child, and tribe, if applicable, are not consistent with the placement setting that the qualified individual recommends, the case plan must include the reasons why the qualified individual did not recommend following the preferences of the family and permanency team, child, and the tribe.
 - (c) The agency must file the out-of-home placement plan with the court as part of the 60-day court order under section 260C.71.

(d) The agency must provide aftercare services as defined by the federal Family First Prevention Services Act to the child for the six months following discharge from the qualified residential treatment program. The services may include clinical care consultation, as defined in section 256B.0671, subdivision 7, and family and youth peer specialists under section 256B.0616.

Sec. 16. Minnesota Statutes 2022, section 260C.80, subdivision 1, is amended to read:

Subdivision 1. **Office of the Foster Youth Ombudsperson.** The Office of the Foster Youth Ombudsperson is hereby created. The ombudsperson serves ~~at the pleasure of the governor~~ in the unclassified service, must be selected without regard to political affiliation, and must be a person highly competent and qualified to work to improve the lives of youth in the foster care system, while understanding the administration and public policy related to youth in the foster care system. The ombudsperson may be removed only for just cause. No person may serve as the foster youth ombudsperson while holding any other public office. The foster youth ombudsperson is accountable to the governor and may investigate decisions, acts, and other matters related to the health, safety, and welfare of youth in foster care to promote the highest attainable standards of competence, efficiency, and justice for youth who are in the care of the state.

Sec. 17. Minnesota Statutes 2022, section 260E.01, is amended to read:

260E.01 POLICY.

~~(a)~~ The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through maltreatment. While it is recognized that most parents want to keep their children safe, sometimes circumstances or conditions interfere with their ability to do so. When this occurs, the health and safety of the children must be of paramount concern. Intervention and prevention efforts must address immediate concerns for child safety and the ongoing risk of maltreatment and should engage the protective capacities of families. In furtherance of this public policy, it is the intent of the legislature under this chapter to:

(1) protect children and promote child safety;

(2) strengthen the family;

(3) make the home, school, and community safe for children by promoting responsible child care in all settings, including through the reporting of child maltreatment; ~~and~~

(4) provide protective, family support, and family preservation services when appropriate; and

~~(4)~~ (5) provide, when necessary, a safe temporary or permanent home environment for maltreated children.

~~(b) In addition, it is the policy of this state to:~~

~~(1) require the reporting of maltreatment of children in the home, school, and community settings;~~

~~(2) provide for the voluntary reporting of maltreatment of children;~~

~~(3) require an investigation when the report alleges sexual abuse or substantial child endangerment;~~

~~(4) provide a family assessment, if appropriate, when the report does not allege sexual abuse or substantial child endangerment; and~~

~~(5) provide protective, family support, and family preservation services when needed in appropriate cases.~~

Sec. 18. Minnesota Statutes 2022, section 260E.02, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary child protection team that may include, but ~~is~~ ~~not~~ ~~be~~ limited to, the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health, representatives of agencies providing specialized services or responding to youth who experience or are at risk of experiencing sex trafficking or sexual exploitation, or other appropriate human services or community-based agencies, and parent groups. As used in this section, a "community-based agency" may include, but is not limited to, schools, social services agencies, family service and mental health collaboratives, children's advocacy centers, early childhood and family education programs, Head Start, or other agencies serving children and families. A member of the team must be designated as the lead person of the team responsible for the planning process to develop standards for the team's activities with battered women's and domestic abuse programs and services.

Sec. 19. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision to read:

Subd. 15a. **Noncaregiver sex trafficker.** "Noncaregiver sex trafficker" means an individual who is alleged to have engaged in the act of sex trafficking a child and who is not a person responsible for the child's care, who does not have a significant relationship with the child as defined in section 609.341, and who is not a person in a current or recent position of authority as defined in section 609.341, subdivision 10.

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

Sec. 20. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision to read:

Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking assessment" is a comprehensive assessment of child safety, the risk of subsequent child maltreatment, and strengths and needs of the child and family. The local welfare agency shall only perform a noncaregiver sex trafficking assessment when a maltreatment report alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver sex trafficking assessment does not include a determination of whether child maltreatment occurred. A noncaregiver sex trafficking assessment includes a determination of a family's need for services to address the safety of the child or children, the safety of family members, and the risk of subsequent child maltreatment.

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

Sec. 21. Minnesota Statutes 2022, section 260E.03, subdivision 22, is amended to read:

Subd. 22. **Substantial child endangerment.** "Substantial child endangerment" means that a person responsible for a child's care, by act or omission, commits or attempts to commit an act against a child ~~under their~~ in the person's care that constitutes any of the following:

- (1) egregious harm under subdivision 5;
- (2) abandonment under section 260C.301, subdivision 2;
- (3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;
- (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;
- (5) manslaughter in the first or second degree under section 609.20 or 609.205;

- (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;
- (7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under section 609.322;
- (8) criminal sexual conduct under sections 609.342 to 609.3451;
- (9) sexual extortion under section 609.3458;
- (10) solicitation of children to engage in sexual conduct under section 609.352;
- (11) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;
- (12) use of a minor in sexual performance under section 617.246; or
- (13) parental behavior, status, or condition ~~that mandates that~~ requiring the county attorney to file a termination of parental rights petition under section 260C.503, subdivision 2.

Sec. 22. Minnesota Statutes 2022, section 260E.14, subdivision 2, is amended to read:

Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for investigating an allegation of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual functioning within the family unit as a person responsible for the child's care, or a person with a significant relationship to the child if that person resides in the child's household.

(b) The local welfare agency is also responsible for assessing or investigating when a child is identified as a victim of sex trafficking.

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

Sec. 23. Minnesota Statutes 2022, section 260E.14, subdivision 5, is amended to read:

Subd. 5. **Law enforcement.** (a) The local law enforcement agency is the agency responsible for investigating a report of maltreatment if a violation of a criminal statute is alleged.

(b) Law enforcement and the responsible agency must coordinate their investigations or assessments as required under this chapter when ~~the~~: (1) a report alleges maltreatment that is a violation of a criminal statute by a person who is a parent, guardian, sibling, person responsible for the child's care ~~functioning~~ within the family unit, or by a person who lives in the child's household and who has a significant relationship to the child; in a setting other than a facility as defined in section 260E.03; or (2) a report alleges sex trafficking of a child.

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

Sec. 24. Minnesota Statutes 2022, section 260E.17, subdivision 1, is amended to read:

Subdivision 1. **Local welfare agency.** (a) Upon receipt of a report, the local welfare agency shall determine whether to conduct a family assessment ~~or~~, an investigation, or a noncaregiver sex trafficking assessment as appropriate to prevent or provide a remedy for maltreatment.

(b) The local welfare agency shall conduct an investigation when the report involves sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.

(c) The local welfare agency shall begin an immediate investigation ~~if~~, at any time when the local welfare agency is using responding with a family assessment response, and the local welfare agency determines that there is reason to believe that sexual abuse ~~or~~, substantial child endangerment, or a serious threat to the child's safety exists.

(d) The local welfare agency may conduct a family assessment for reports that do not allege sexual abuse, except as indicated in paragraph (f), or substantial child endangerment. In determining that a family assessment is appropriate, the local welfare agency may consider issues of child safety, parental cooperation, and the need for an immediate response.

(e) The local welfare agency may conduct a family assessment ~~on~~ for a report that was initially screened and assigned for an investigation. In determining that a complete investigation is not required, the local welfare agency must document the reason for terminating the investigation and notify the local law enforcement agency if the local law enforcement agency is conducting a joint investigation.

(f) The local welfare agency shall conduct a noncaregiver sex trafficking assessment when a maltreatment report alleges sex trafficking of a child and the alleged offender is a noncaregiver sex trafficker as defined by section 260E.03, subdivision 15a.

(g) During a noncaregiver sex trafficking assessment, the local welfare agency shall initiate an immediate investigation if there is reason to believe that a child's parent, caregiver, or household member allegedly engaged in the act of sex trafficking a child or was alleged to have engaged in any conduct requiring the agency to conduct an investigation.

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

Sec. 25. Minnesota Statutes 2022, section 260E.18, is amended to read:

260E.18 NOTICE TO CHILD'S TRIBE.

The local welfare agency shall provide immediate notice, according to section 260.761, subdivision 2, to an Indian child's tribe when the agency has reason to believe that the family assessment ~~or~~ investigation, or noncaregiver sex trafficking assessment may involve an Indian child. For purposes of this section, "immediate notice" means notice provided within 24 hours.

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

Sec. 26. Minnesota Statutes 2022, section 260E.20, subdivision 2, is amended to read:

Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare agency shall ~~conduct~~ have face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a safety assessment and ensure the immediate safety of the child. When it is possible and the report alleges substantial child endangerment or sexual abuse, the local welfare agency is not required to provide notice before conducting the initial face-to-face contact with the child and the child's primary caregiver.

(b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall have face-to-face contact with the child and primary caregiver ~~shall occur~~ immediately after the agency screens in a report if sexual abuse or substantial child endangerment is alleged and within five calendar days of a screened in report for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation, except in a noncaregiver sex trafficking assessment. Face-to-face contact with the child and primary caregiver in response to a report alleging sexual abuse or substantial child endangerment may be postponed for no more than five calendar days if the child is residing in a location that is confirmed to restrict contact with the alleged offender as established in guidelines issued by the commissioner, or if the local welfare agency is pursuing a court order for the child's caregiver to produce the child for questioning under section 260E.22, subdivision 5.

(c) At the initial contact with the alleged offender, the local welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation. In a noncaregiver sex trafficking assessment, the local child welfare agency is not required to inform or interview the alleged offender.

(d) The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement, except in a noncaregiver sex trafficking assessment. The alleged offender may submit supporting documentation relevant to the assessment or investigation.

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

Sec. 27. Minnesota Statutes 2022, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking assessment.** After conducting a family assessment or a noncaregiver sex trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment in the child's or family's case notes.

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

Sec. 28. Minnesota Statutes 2022, section 260E.24, subdivision 7, is amended to read:

Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex trafficking assessment.** Within ten working days of the conclusion of a family assessment or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent or guardian of the child of the need for services to address child safety concerns or significant risk of subsequent maltreatment. The local welfare agency and the family may also jointly agree that family support and family preservation services are needed.

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

Sec. 29. Minnesota Statutes 2022, section 260E.33, subdivision 1, is amended to read:

Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking assessment.** Administrative reconsideration is not applicable to a family assessment or noncaregiver sex trafficking assessment since no determination concerning maltreatment is made.

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

Sec. 30. Minnesota Statutes 2022, section 260E.35, subdivision 6, is amended to read:

Subd. 6. **Data retention.** (a) Notwithstanding sections 138.163 and 138.17, a record maintained or a record derived from a report of maltreatment by a local welfare agency, agency responsible for assessing or investigating the report, court services agency, or school under this chapter shall be destroyed as provided in paragraphs (b) to (e) by the responsible authority.

(b) For a report alleging maltreatment that was not accepted for an assessment or an investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and a case where an investigation results in no determination of maltreatment or the need for child protective services, the record must be maintained for a period

of five years after the date that the report was not accepted for assessment or investigation or the date of the final entry in the case record. A record of a report that was not accepted must contain sufficient information to identify the subjects of the report, the nature of the alleged maltreatment, and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may not be used for employment, background checks, or purposes other than to assist in future screening decisions and risk and safety assessments.

(c) All records relating to reports that, upon investigation, indicate ~~either~~ maltreatment or a need for child protective services shall be maintained for ten years after the date of the final entry in the case record.

(d) All records regarding a report of maltreatment, including a notification of intent to interview that was received by a school under section 260E.22, subdivision 7, shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision.

(e) Private or confidential data released to a court services agency under subdivision 3, paragraph (d), must be destroyed by the court services agency when ordered to do so by the local welfare agency that released the data. The local welfare agency or agency responsible for assessing or investigating the report shall order destruction of the data when other records relating to the assessment or investigation are destroyed under this subdivision.

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

Sec. 31. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FOSTER CARE FEDERAL CASH ASSISTANCE BENEFITS PRESERVATION.**

(a) The commissioner of human services must develop a plan to preserve and make available the income and resources attributable to a child in foster care to meet the best interests of the child. The plan must include recommendations on:

(1) policies for youth and caregiver access to preserved federal cash assistance benefit payments;

(2) representative payees for children in voluntary foster care for treatment pursuant to Minnesota Statutes, chapter 260D; and

(3) family preservation and reunification.

(b) For purposes of this section, "income and resources attributed to a child" means all benefits from programs administered by the Social Security Administration, including but not limited to retirement, survivors benefits, disability insurance programs, Supplemental Security Income, veterans benefits, and railroad retirement benefits.

(c) When developing the plan under this section, the commissioner shall consult or engage with:

(1) individuals or entities with experience in managing trusts and investment;

(2) individuals or entities with expertise in providing tax advice;

(3) individuals or entities with expertise in preserving assets to avoid any negative impact on public assistance eligibility;

(4) other relevant state agencies;

(5) Tribal social services agencies;

(6) counties;

(7) the Children's Justice Initiative;

(8) organizations that serve and advocate for children and families in the child protection system;

(9) parents, legal custodians, foster families, and kinship caregivers, to the extent possible;

(10) youth who have been or are currently in out-of-home placement; and

(11) other relevant stakeholders.

(d) By December 15, 2023, each county shall provide the following data for fiscal years 2018 and 2021 to the commissioner or the commissioner's designee in a form prescribed by the commissioner:

(1) the nonduplicated number of children in foster care in the county who received income and resources attributable to a child as defined in paragraph (b);

(2) the number of children for whom the county was the representative payee for income and resources attributable to a child;

(3) the amount of money that the county received from income and resources attributable to children in out-of-home placement for whom the county served as the representative payee;

(4) the county's policies and standards regarding collection and use of this money, including:

(i) how long after a child is in out-of-home placement does the county agency become the representative payee;

(ii) the disposition of any money that exceeds the costs for out-of-home placement for a child;

(iii) how the county complies with federal reporting requirements related to the use of income and resources attributable to a child;

(iv) whether the county uses income and resources attributable to a child for out-of-home placement costs for other children who do not receive federal cash assistance benefit payments; and

(v) whether the county seeks repayment of federal income and resources attributable to a child from the child's parents, who may have received such payments or resources while the child is in out-of-home placement, and the ratio of requests for repayment to money collected on an annual basis; and

(5) other information as determined by the commissioner.

(e) By January 15, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and child welfare outlining the plan developed under this section. The report must include a projected timeline for implementing the plan, estimated implementation costs, and any legislative actions that may be required to implement the plan. The report must also include data provided by counties related to the requirements for the parent or custodian of a child to reimburse a county for the cost of care, examination, or treatment in subdivision (f), and a list of counties that failed to provide complete information and data to the commissioner or the commissioner's designee as required under paragraph (d).

(f) By December 15, 2023, every county shall provide the commissioner of human services with the following data from fiscal years 2018 and 2021 in a form prescribed by the commissioner:

(1) the nonduplicated number of cases in which the county received payments from a parent or custodian of a child to reimburse the cost of care, examination, or treatment; and

(2) the total amount in payments that the county collected from a parent or custodian of a child to reimburse the cost of care, examination or treatment.

(g) The commissioner may contract with an individual or entity to collect and analyze financial data reported by counties in paragraphs (d) and (f).

Sec. 32. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; CHILD PROTECTION INFORMATION TECHNOLOGY SYSTEM REVIEW.

(a) The commissioner of human services must contract with an independent consultant to perform a thorough evaluation of the social services information system (SSIS) that supports the child protection system in Minnesota. The consultant must make recommendations for improving the current system for usability, system performance, and federal Comprehensive Child Welfare Information System compliance, and must address technical problems and identify any unnecessary or unduly burdensome data entry requirements that have contributed to system capacity issues. The consultant must assist the commissioner with selecting a platform for future development of an information technology system for child protection.

(b) The commissioner of human services must conduct a study and develop recommendations to streamline and reduce SSIS data entry requirements for child protection cases. The study must be completed in partnership with local social services agencies and other entities, as determined by the commissioner. By June 30, 2024, the commissioner must provide a status report to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. The status report must include information about the procedures used for soliciting ongoing user input from stakeholders, progress made on soliciting and hiring a consultant to conduct the system evaluation required under paragraph (a), and a report on progress and completed efforts to streamline data entry requirements and improve user experiences.

Sec. 33. INDEPENDENT LIVING SKILLS FOR FOSTER YOUTH GRANTS.

Subdivision 1. **Program established.** The commissioner shall establish direct grants to local social service agencies, Tribes, and other organizations to provide independent living services to eligible foster youth as described under Minnesota Statutes, section 260C.452.

Subd. 2. **Grant awards.** The commissioner shall request proposals and make grants to eligible applicants. The commissioner shall determine the timing and form of the application and the criteria for making grant awards to eligible applicants.

Subd. 3. **Program reporting.** Grant recipients shall provide the commissioner with a report that describes all of the activities and outcomes of services funded by the grant program in a format and at a time determined by the commissioner.

Subd. 4. **Undistributed funds.** Undistributed funds must be reallocated by the commissioner for the goals of the grant program. Undistributed funds are available until expended.

Sec. 34. INFORMAL KINSHIP CAREGIVER SUPPORT GRANT PROGRAM.

Subdivision 1. **Establishment.** The informal caregiver support grant program is established in the Department of Human Services for an eligible community-based nonprofit organization to provide informal kinship caregivers, not restricted to familial status, with connection to local and statewide resources and support that reduces the need for child welfare involvement or risk of child welfare involvement.

Subd. 2. **Eligible grantees.** Eligible grantees are community-based nonprofit organizations with a demonstrated history of kinship caregiver support, ability to increase capacity of caregivers served, and ability to serve racially and geographically diverse populations. Grantees shall be capable of developing informal kinship caregiver support in alignment with a consistent set of replicable standards.

Subd. 3. **Allowable uses of funds.** Eligible grantees must use funds to assess informal kinship caregiver and child needs, provide connection to local and statewide resources, provide case management to assist with complex cases, and provide supports to reduce the need for child welfare involvement or risk of child welfare involvement.

ARTICLE 3 CHILD SUPPORT

Section 1. Minnesota Statutes 2022, section 518A.31, is amended to read:

518A.31 SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS RECEIVED ON BEHALF OF THE CHILD.

(a) The amount of the monthly Social Security benefits or apportioned veterans' benefits provided for a joint child shall be included in the gross income of the parent on whose eligibility the benefits are based.

(b) The amount of the monthly survivors' and dependents' educational assistance provided for a joint child shall be included in the gross income of the parent on whose eligibility the benefits are based.

(c) If Social Security or apportioned veterans' benefits are provided for a joint child based on the eligibility of the obligor, and are received by the obligee as a representative payee for the child or by the child attending school, then the amount of the benefits shall also be subtracted from the obligor's net child support obligation as calculated pursuant to section 518A.34.

(d) If the survivors' and dependents' educational assistance is provided for a joint child based on the eligibility of the obligor, and is received by the obligee as a representative payee for the child or by the child attending school, then the amount of the assistance shall also be subtracted from the obligor's net child support obligation as calculated under section 518A.34.

(e) Upon a motion to modify child support, any regular or lump sum payment of Social Security or apportioned veterans' benefit received by the obligee for the benefit of the joint child based upon the obligor's disability prior to filing the motion to modify may be used to satisfy arrears that remain due for the period of time for which the benefit was received. This paragraph applies only if the derivative benefit was not considered in the guidelines calculation of the previous child support order.

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

Sec. 2. Minnesota Statutes 2022, section 518A.32, subdivision 3, is amended to read:

Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis.** A parent is not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis upon a showing by the parent that:

(1) the unemployment, underemployment, or employment on a less than full-time basis is temporary and will ultimately lead to an increase in income;

(2) the unemployment, underemployment, or employment on a less than full-time basis represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child; ~~or~~

(3) the unemployment, underemployment, or employment on a less than full-time basis is because a parent is physically or mentally incapacitated or due to incarceration; or

(4) a governmental agency authorized to determine eligibility for general assistance or supplemental Social Security income has determined that the individual is eligible to receive general assistance or supplemental Social Security income. Actual income earned by the parent may be considered for the purpose of calculating child support.

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

Sec. 3. Minnesota Statutes 2022, section 518A.32, subdivision 4, is amended to read:

Subd. 4. **TANF or MFIP recipient.** If the parent of a joint child is a recipient of a temporary assistance to a needy family (TANF) cash grant; or comparable state-funded Minnesota family investment program (MFIP) benefits, no potential income is to be imputed to that parent.

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

Sec. 4. Minnesota Statutes 2022, section 518A.34, is amended to read:

518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.

(a) To determine the presumptive child support obligation of a parent, the court shall follow the procedure set forth in this section.

(b) To determine the obligor's basic support obligation, the court shall:

(1) determine the gross income of each parent under section 518A.29;

(2) calculate the parental income for determining child support (PICS) of each parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint children under section 518A.33;

(3) determine the percentage contribution of each parent to the combined PICS by dividing the combined PICS into each parent's PICS;

(4) determine the combined basic support obligation by application of the guidelines in section 518A.35;

(5) determine each parent's share of the combined basic support obligation by multiplying the percentage figure from clause (3) by the combined basic support obligation in clause (4); and

(6) apply the parenting expense adjustment formula provided in section 518A.36 to determine the obligor's basic support obligation.

(c) If the parents have split custody of joint children, child support must be calculated for each joint child as follows:

(1) the court shall determine each parent's basic support obligation under paragraph (b) and include the amount of each parent's obligation in the court order. If the basic support calculation results in each parent owing support to the other, the court shall offset the higher basic support obligation with the lower basic support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. For the purpose of the cost-of-living adjustment required under section 518A.75, the adjustment must be based on each parent's basic support obligation prior to offset. For the purposes of this paragraph, "split custody" means that there are two or more joint children and each parent has at least one joint child more than 50 percent of the time;

(2) if each parent pays all child care expenses for at least one joint child, the court shall calculate child care support for each joint child as provided in section 518A.40. The court shall determine each parent's child care support obligation and include the amount of each parent's obligation in the court order. If the child care support calculation results in each parent owing support to the other, the court shall offset the higher child care support obligation with the lower child care support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation; and

(3) if each parent pays all medical or dental insurance expenses for at least one joint child, medical support shall be calculated for each joint child as provided in section 518A.41. The court shall determine each parent's medical support obligation and include the amount of each parent's obligation in the court order. If the medical support calculation results in each parent owing support to the other, the court shall offset the higher medical support obligation with the lower medical support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as provided in section 518A.41.

(d) The court shall determine the child care support obligation for the obligor as provided in section 518A.40.

(e) The court shall determine the medical support obligation for each parent as provided in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as described in section 518A.41.

(f) The court shall determine each parent's total child support obligation by adding together each parent's basic support, child care support, and health care coverage obligations as provided in this section.

(g) If Social Security benefits or veterans' benefits are received by one parent as a representative payee for a joint child based on the other parent's eligibility, the court shall subtract the amount of benefits from the other parent's net child support obligation, if any. Any benefit received by the obligee for the benefit of the joint child based upon the obligor's disability or past earnings in any given month in excess of the child support obligation must not be treated as an arrearage payment or a future payment.

(h) The final child support order shall separately designate the amount owed for basic support, child care support, and medical support. If applicable, the court shall use the self-support adjustment and minimum support adjustment under section 518A.42 to determine the obligor's child support obligation.

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

Sec. 5. Minnesota Statutes 2022, section 518A.41, is amended to read:

518A.41 MEDICAL SUPPORT.

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and chapter 518.

(a) "Health care coverage" means ~~medical, dental, or other health care benefits that are provided by one or more health plans. Health care coverage does not include any form of public coverage~~ private health care coverage, including fee for service, health maintenance organization, preferred provider organization, and other types of private health care coverage. Health care coverage also means public health care coverage under which medical or dental services could be provided to a dependent child.

(b) ~~"Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and 62L.02, subdivision 16.~~

~~(e) "Health plan" (b) "Private health care coverage"~~ means a health plan, ~~other than any form of public coverage,~~ that provides medical, dental, or other health care benefits and is:

(1) provided on an individual or group basis;

(2) provided by an employer or union;

(3) purchased in the private market; ~~or~~

(4) provided through MinnesotaCare under chapter 256L; or

~~(4)~~ (5) available to a person eligible to carry insurance for the joint child, including a party's spouse or parent.

~~Health plan~~ Private health care coverage includes, but is not limited to, a health plan meeting the definition under section 62A.011, subdivision 3, except that the exclusion of coverage designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause (6), does not apply to the definition of ~~health plan~~ private health care coverage under this section; a group health plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to 43A.317 and 471.617; and a policy, contract, or certificate issued by a community-integrated service network licensed under chapter 62N.

(c) "Public health care coverage" means health care benefits provided by any form of medical assistance under chapter 256B. Public health care coverage does not include MinnesotaCare or health plans subsidized by federal premium tax credits or federal cost-sharing reductions.

~~(d) "Medical support" means providing health care coverage for a joint child by carrying health care coverage for the joint child or by contributing to the cost of health care coverage, public coverage, unreimbursed medical health-related expenses, and uninsured medical health-related expenses of the joint child.~~

(e) "National medical support notice" means an administrative notice issued by the public authority to enforce health insurance provisions of a support order in accordance with Code of Federal Regulations, title 45, section 303.32, in cases where the public authority provides support enforcement services.

~~(f) "Public coverage" means health care benefits provided by any form of medical assistance under chapter 256B. Public coverage does not include MinnesotaCare or health plans subsidized by federal premium tax credits or federal cost-sharing reductions.~~

~~(g) (f) "Uninsured medical health-related expenses" means a joint child's reasonable and necessary health-related medical and dental expenses if the joint child is not covered by a health plan or public coverage private health insurance care when the expenses are incurred.~~

~~(h) (g) "Unreimbursed medical health-related expenses" means a joint child's reasonable and necessary health-related medical and dental expenses if a joint child is covered by a health plan or public coverage health care coverage and the plan or health care coverage does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed medical health-related expenses do not include the cost of premiums. Unreimbursed medical health-related expenses include, but are not limited to, deductibles, co-payments, and expenses for orthodontia, and prescription eyeglasses and contact lenses, but not over-the-counter medications if coverage is under a health plan provided through health care coverage.~~

Subd. 2. **Order.** (a) A completed national medical support notice issued by the public authority or a court order that complies with this section is a qualified medical child support order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a).

(b) Every order addressing child support must state:

(1) the names, last known addresses, and Social Security numbers of the parents and the joint child that is a subject of the order unless the court prohibits the inclusion of an address or Social Security number and orders the parents to provide the address and Social Security number to the administrator of the health plan;

(2) ~~if a joint child is not presently enrolled in health care coverage~~, whether appropriate health care coverage for the joint child is available and, if so, state:

(i) the parents' responsibilities for carrying health care coverage;

(ii) the cost of premiums and how the cost is allocated between the parents; ~~and~~

(iii) the circumstances, if any, under which an obligation to provide private health care coverage for the joint child will shift from one parent to the other; and

~~(3) if appropriate health care coverage is not available for the joint child, (iv) whether a contribution for medical support public health care coverage is required; and~~

~~(4) (3) how unreimbursed or uninsured medical health-related expenses will be allocated between the parents.~~

Subd. 3. **Determining appropriate health care coverage.** Public health care coverage is presumed appropriate. In determining whether a parent has appropriate private health care coverage for the joint child, the court must consider the following factors:

(1) comprehensiveness of private health care coverage providing medical benefits. Dependent private health care coverage providing medical benefits is presumed comprehensive if it includes medical and hospital coverage and provides for preventive, emergency, acute, and chronic care; or if it meets the minimum essential coverage definition in United States Code, title 26, section 5000A(f). If both parents have private health care coverage providing medical benefits that is presumed comprehensive under this paragraph, the court must determine which parent's private health care coverage is more comprehensive by considering what other benefits are included in the private health care coverage;

(2) accessibility. Dependent private health care coverage is accessible if the covered joint child can obtain services from a health plan provider with reasonable effort by the parent with whom the joint child resides. Private health care coverage is presumed accessible if:

(i) primary care is available within 30 minutes or 30 miles of the joint child's residence and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

(ii) the private health care coverage is available through an employer and the employee can be expected to remain employed for a reasonable amount of time; and

(iii) no preexisting conditions exist to unduly delay enrollment in private health care coverage;

(3) the joint child's special medical needs, if any; and

(4) affordability. Dependent private health care coverage is presumed affordable if ~~it is reasonable in cost. If both parents have health care coverage available for a joint child that is comparable with regard to comprehensiveness of medical benefits, accessibility, and the joint child's special needs, the least costly health care coverage is presumed to be the most appropriate health care coverage for the joint child~~ the premium to cover the marginal cost of the joint child does not exceed five percent of the parents' combined monthly PICS. A court may additionally consider high deductibles and the cost to enroll the parent if the parent must enroll themselves in private health care coverage to access private health care coverage for the child.

Subd. 4. **Ordering health care coverage.** ~~(a) If a joint child is presently enrolled in health care coverage, the court must order that the parent who currently has the joint child enrolled continue that enrollment unless the parties agree otherwise or a party requests a change in coverage and the court determines that other health care coverage is more appropriate.~~

~~(b) If a joint child is not presently enrolled in health care coverage providing medical benefits, upon motion of a parent or the public authority, the court must determine whether one or both parents have appropriate health care coverage providing medical benefits for the joint child.~~

(a) If a joint child is presently enrolled in health care coverage, the court shall order that the parent who currently has the joint child enrolled in health care coverage continue that enrollment if the health care coverage is appropriate as defined under subdivision 3.

~~(e)~~ (b) If only one parent has appropriate health care coverage providing medical benefits available, the court must order that parent to carry the coverage for the joint child.

~~(d)~~ (c) If both parents have appropriate health care coverage providing medical benefits available, the court must order the parent with whom the joint child resides to carry the health care coverage for the joint child, unless:

(1) a party expresses a preference for private health care coverage providing medical benefits available through the parent with whom the joint child does not reside;

(2) the parent with whom the joint child does not reside is already carrying dependent private health care coverage providing medical benefits for other children and the cost of contributing to the premiums of the other parent's health care coverage would cause the parent with whom the joint child does not reside extreme hardship; or

(3) the parties agree as to which parent will carry health care coverage providing medical benefits and agree on the allocation of costs.

~~(e)~~ (d) If the exception in paragraph ~~(d)~~ (c), clause (1) or (2), applies, the court must determine which parent has the most appropriate health care coverage providing medical benefits available and order that parent to carry health care coverage for the joint child.

~~(f)~~ (e) If neither parent has appropriate health care coverage available, the court must order the parents to:

~~(1)~~ (1) contribute toward the actual health care costs of the joint children based on a pro rata share; ~~or,~~

~~(2) if the joint child is receiving any form of public coverage, the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of public coverage. The amount of the noncustodial parent's contribution is determined by applying the noncustodial parent's PICS to the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the contribution is the amount the noncustodial parent would pay for the child's premium. If the noncustodial parent's PICS exceeds the eligibility requirements, the contribution is the amount of the premium for the highest eligible income on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of determining the premium amount, the noncustodial parent's household size is equal to one parent plus the child or children who are the subject of the child support order. The custodial parent's obligation is determined under the requirements for public coverage as set forth in chapter 256B; or~~

~~(3) if the noncustodial parent's PICS meet the eligibility requirement for public coverage under chapter 256B or the noncustodial parent receives public assistance, the noncustodial parent must not be ordered to contribute toward the cost of public coverage.~~

~~(g)~~ (f) If neither parent has appropriate health care coverage available, the court may order the parent with whom the child resides to apply for public health care coverage for the child.

~~(h) The commissioner of human services must publish a table with the premium schedule for public coverage and update the chart for changes to the schedule by July 1 of each year.~~

⊕ (g) If a joint child is not presently enrolled in private health care coverage providing dental benefits, upon motion of a parent or the public authority, the court must determine whether one or both parents have appropriate ~~dental~~ private health care coverage providing dental benefits for the joint child, and the court may order a parent with appropriate ~~dental~~ private health care coverage providing dental benefits available to carry the health care coverage for the joint child.

⊕ (h) If a joint child is not presently enrolled in available private health care coverage providing benefits other than medical benefits or dental benefits, upon motion of a parent or the public authority, the court may determine whether ~~that other~~ private health care coverage providing other health benefits for the joint child is appropriate, and the court may order a parent with that appropriate private health care coverage available to carry the coverage for the joint child.

Subd. 5. **Medical support costs; unreimbursed and uninsured ~~medical~~ health-related expenses.** (a) Unless otherwise agreed to by the parties and approved by the court, the court must order that the cost of private health care coverage and all unreimbursed and uninsured ~~medical~~ health-related expenses ~~under the health plan~~ be divided between the obligor and obligee based on their proportionate share of the parties' combined monthly PICS. The amount allocated for medical support is considered child support but is not subject to a cost-of-living adjustment under section 518A.75.

(b) If a party owes a ~~joint-child~~ basic support obligation for a joint child and is ordered to carry private health care coverage for the joint child, and the other party is ordered to contribute to the carrying party's cost for coverage, the carrying party's ~~child~~ basic support payment must be reduced by the amount of the contributing party's contribution.

(c) If a party owes a ~~joint-child~~ basic support obligation for a joint child and is ordered to contribute to the other party's cost for carrying private health care coverage for the joint child, the contributing party's child support payment must be increased by the amount of the contribution. The contribution toward private health care coverage must not be charged in any month in which the party ordered to carry private health care coverage fails to maintain private coverage.

(d) If the party ordered to carry private health care coverage for the joint child already carries dependent private health care coverage for other dependents and would incur no additional premium costs to add the joint child to the existing health care coverage, the court must not order the other party to contribute to the premium costs for health care coverage of the joint child.

(e) If a party ordered to carry private health care coverage for the joint child does not already carry dependent private health care coverage but has other dependents who may be added to the ordered health care coverage, the full premium costs of the dependent private health care coverage must be allocated between the parties in proportion to the party's share of the parties' combined monthly PICS, unless the parties agree otherwise.

(f) If a party ordered to carry private health care coverage for the joint child is required to enroll in a health plan so that the joint child can be enrolled in dependent private health care coverage under the plan, the court must allocate the costs of the dependent private health care coverage between the parties. The costs of the private health care coverage for the party ordered to carry the health care coverage for the joint child must not be allocated between the parties.

(g) If the joint child is receiving any form of public health care coverage:

(1) the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of public health care coverage. The amount of the noncustodial parent's contribution is determined by applying the noncustodial parent's PICS to the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the contribution is the amount that the noncustodial parent would pay for the child's premium;

(2) if the noncustodial parent's PICS exceeds the eligibility requirements, the contribution is the amount of the premium for the highest eligible income on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of determining the premium amount, the noncustodial parent's household size is equal to one parent plus the child or children who are the subject of the order;

(3) the custodial parent's obligation is determined under the requirements for public health care coverage in chapter 256B; or

(4) if the noncustodial parent's PICS is less than 200 percent of the federal poverty guidelines for one person or the noncustodial parent receives public assistance, the noncustodial parent must not be ordered to contribute toward the cost of public health care coverage.

(h) The commissioner of human services must publish a table for section 256L.15, subdivision 2, paragraph (d), and update the table with changes to the schedule by July 1 of each year.

Subd. 6. **Notice or court order sent to party's employer, union, or health carrier.** (a) The public authority must forward a copy of the national medical support notice or court order for private health care coverage to the party's employer within two business days after the date the party is entered into the work reporting system under section 256.998.

(b) The public authority or a party seeking to enforce an order for private health care coverage must forward a copy of the national medical support notice or court order to the obligor's employer or union, or to the health carrier under the following circumstances:

(1) the party ordered to carry private health care coverage for the joint child fails to provide written proof to the other party or the public authority, within 30 days of the effective date of the court order, that the party has applied for private health care coverage for the joint child;

(2) the party seeking to enforce the order or the public authority gives written notice to the party ordered to carry private health care coverage for the joint child of its intent to enforce medical support. The party seeking to enforce the order or public authority must mail the written notice to the last known address of the party ordered to carry private health care coverage for the joint child; and

(3) the party ordered to carry private health care coverage for the joint child fails, within 15 days after the date on which the written notice under clause (2) was mailed, to provide written proof to the other party or the public authority that the party has applied for private health care coverage for the joint child.

(c) The public authority is not required to forward a copy of the national medical support notice or court order to the obligor's employer or union, or to the health carrier, if the court orders private health care coverage for the joint child that is not employer-based or union-based coverage.

Subd. 7. **Employer or union requirements.** (a) An employer or union must forward the national medical support notice or court order to its health plan within 20 business days after the date on the national medical support notice or after receipt of the court order.

(b) Upon determination by an employer's or union's health plan administrator that a joint child is eligible to be covered under the health plan, the employer or union and health plan must enroll the joint child as a beneficiary in the health plan, and the employer must withhold any required premiums from the income or wages of the party ordered to carry health care coverage for the joint child.

(c) If enrollment of the party ordered to carry private health care coverage for a joint child is necessary to obtain dependent private health care coverage under the plan, and the party is not enrolled in the health plan, the employer or union must enroll the party in the plan.

(d) Enrollment of dependents and, if necessary, the party ordered to carry private health care coverage for the joint child must be immediate and not dependent upon open enrollment periods. Enrollment is not subject to the underwriting policies under section 62A.048.

(e) Failure of the party ordered to carry private health care coverage for the joint child to execute any documents necessary to enroll the dependent in the health plan does not affect the obligation of the employer or union and health plan to enroll the dependent in a plan. Information and authorization provided by the public authority, or by a party or guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

(f) An employer or union that is included under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), may not deny enrollment to the joint child or to the parent if necessary to enroll the joint child based on exclusionary clauses described in section 62A.048.

(g) A new employer or union of a party who is ordered to provide private health care coverage for a joint child must enroll the joint child in the party's health plan as required by a national medical support notice or court order.

Subd. 8. **Health plan requirements.** (a) If a health plan administrator receives a completed national medical support notice or court order, the plan administrator must notify the parties, and the public authority if the public authority provides support enforcement services, within 40 business days after the date of the notice or after receipt of the court order, of the following:

(1) whether health care coverage is available to the joint child under the terms of the health plan and, if not, the reason why health care coverage is not available;

(2) whether the joint child is covered under the health plan;

(3) the effective date of the joint child's coverage under the health plan; and

(4) what steps, if any, are required to effectuate the joint child's coverage under the health plan.

(b) If the employer or union offers more than one plan and the national medical support notice or court order does not specify the plan to be carried, the plan administrator must notify the parents and the public authority if the public authority provides support enforcement services. When there is more than one option available under the plan, the public authority, in consultation with the parent with whom the joint child resides, must promptly select from available plan options.

(c) The plan administrator must provide the parents and public authority, if the public authority provides support enforcement services, with a notice of the joint child's enrollment, description of the health care coverage, and any documents necessary to effectuate coverage.

(d) The health plan must send copies of all correspondence regarding the private health care coverage to the parents.

(e) An insured joint child's parent's signature is a valid authorization to a health plan for purposes of processing an insurance reimbursement payment to the medical services provider or to the parent, if medical services have been prepaid by that parent.

Subd. 9. Employer or union liability. (a) An employer or union that willfully fails to (a) comply with the order or notice is liable for any uninsured ~~medical~~ health-related expenses incurred by the dependents while the dependents were eligible to be enrolled in the health plan and for any other premium costs incurred because the employer or union willfully failed to comply with the order or notice.

(b) An employer or union that fails to comply with the order or notice is subject to a contempt finding, a \$250 civil penalty under section 518A.73, and is subject to a civil penalty of \$500 to be paid to the party entitled to reimbursement or the public authority. Penalties paid to the public authority are designated for child support enforcement services.

Subd. 10. Contesting enrollment. (a) A party may contest a joint child's enrollment in a health plan on the limited grounds that the enrollment is improper due to mistake of fact or that the enrollment meets the requirements of section 518.145.

(b) If the party chooses to contest the enrollment, the party must do so no later than 15 days after the employer notifies the party of the enrollment by doing the following:

(1) filing a motion in district court or according to section 484.702 and the expedited child support process rules if the public authority provides support enforcement services;

(2) serving the motion on the other party and public authority if the public authority provides support enforcement services; and

(3) securing a date for the matter to be heard no later than 45 days after the notice of enrollment.

(c) The enrollment must remain in place while the party contests the enrollment.

Subd. 11. Disenrollment; continuation of coverage; coverage options. (a) Unless a court order provides otherwise, a child for whom a party is required to provide private health care coverage under this section must be covered as a dependent of the party until the child is emancipated, until further order of the court, or as consistent with the terms of the health care coverage.

(b) The health carrier, employer, or union may not disenroll or eliminate health care coverage for the child unless:

(1) the health carrier, employer, or union is provided satisfactory written evidence that the court order is no longer in effect;

(2) the joint child is or will be enrolled in comparable private health care coverage through another health plan that will take effect no later than the effective date of the disenrollment;

(3) the employee is no longer eligible for dependent health care coverage; or

(4) the required premium has not been paid by or on behalf of the joint child.

(c) The health plan must provide 30 days' written notice to the joint child's parents, and the public authority if the public authority provides support enforcement services, before the health plan disenrolls or eliminates the joint child's health care coverage.

(d) A joint child enrolled in private health care coverage under a qualified medical child support order, including a national medical support notice, under this section is a dependent and a qualified beneficiary under the Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA), Public Law 99-272. Upon expiration of the order, the joint child is entitled to the opportunity to elect continued health care coverage that is available under the health plan. The employer or union must provide notice to the parties and the public authority, if it provides support services, within ten days of the termination date.

(e) If the public authority provides support enforcement services and a plan administrator reports to the public authority that there is more than one coverage option available under the health plan, the public authority, in consultation with the parent with whom the joint child resides, must promptly select health care coverage from the available options.

Subd. 12. **Spousal or former spousal coverage.** The court must require the parent with whom the joint child does not reside to provide dependent private health care coverage for the benefit of the parent with whom the joint child resides if the parent with whom the child does not reside is ordered to provide dependent private health care coverage for the parties' joint child and adding the other parent to the health care coverage results in no additional premium cost.

Subd. 13. **Disclosure of information.** (a) If the public authority provides support enforcement services, the parties must provide the public authority with the following information:

(1) information relating to dependent health care coverage ~~or public coverage~~ available for the benefit of the joint child for whom support is sought, including all information required to be included in a medical support order under this section;

(2) verification that application for court-ordered health care coverage was made within 30 days of the court's order; and

(3) the reason that a joint child is not enrolled in court-ordered health care coverage, if a joint child is not enrolled in health care coverage or subsequently loses health care coverage.

(b) Upon request from the public authority under section 256.978, an employer, union, or plan administrator, including an employer subject to the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), must provide the public authority the following information:

(1) information relating to dependent private health care coverage available to a party for the benefit of the joint child for whom support is sought, including all information required to be included in a medical support order under this section; and

(2) information that will enable the public authority to determine whether a health plan is appropriate for a joint child, including, but not limited to, all available plan options, any geographic service restrictions, and the location of service providers.

(c) The employer, union, or plan administrator must not release information regarding one party to the other party. The employer, union, or plan administrator must provide both parties with insurance identification cards and all necessary written information to enable the parties to utilize the insurance benefits for the covered dependent.

(d) The public authority is authorized to release to a party's employer, union, or health plan information necessary to verify availability of dependent private health care coverage, or to establish, modify, or enforce medical support.

(e) An employee must disclose to an employer if medical support is required to be withheld under this section and the employer must begin withholding according to the terms of the order and under section 518A.53. If an employee discloses an obligation to obtain private health care coverage and health care coverage is available through the employer, the employer must make all application processes known to the individual and enroll the employee and dependent in the plan.

Subd. 14. **Child support enforcement services.** The public authority must take necessary steps to establish, enforce, and modify an order for medical support if the joint child receives public assistance or a party completes an application for services from the public authority under section 518A.51.

Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child support apply to medical support.

(b) For the purpose of enforcement, the following are additional support:

(1) the costs of individual or group health or hospitalization coverage;

(2) dental coverage;

(3) medical costs ordered by the court to be paid by either party, including health care coverage premiums paid by the obligee because of the obligor's failure to obtain health care coverage as ordered; and

(4) liabilities established under this subdivision.

(c) A party who fails to carry court-ordered dependent private health care coverage is liable for the joint child's uninsured ~~medical~~ health-related expenses unless a court order provides otherwise. A party's failure to carry court-ordered health care coverage, or to provide other medical support as ordered, is a basis for modification of medical support under section 518A.39, subdivision 8, unless it meets the presumption in section 518A.39, subdivision 2.

(d) Payments by the health carrier or employer for services rendered to the dependents that are directed to a party not owed reimbursement must be endorsed over to and forwarded to the vendor or appropriate party or the public authority. A party retaining insurance reimbursement not owed to the party is liable for the amount of the reimbursement.

Subd. 16. **Offset.** (a) If a party is the parent with primary physical custody as defined in section 518A.26, subdivision 17, and is an obligor ordered to contribute to the other party's cost for carrying health care coverage for the joint child, the other party's child support and spousal maintenance obligations are subject to an offset under subdivision 5.

(b) The public authority, if the public authority provides child support enforcement services, may remove the offset to a party's child support obligation when:

- (1) the party's court-ordered private health care coverage for the joint child terminates;
- (2) the party does not enroll the joint child in other private health care coverage; and
- (3) a modification motion is not pending.

The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must remove the offset effective the first day of the month following termination of the joint child's private health care coverage.

(c) The public authority, if the public authority provides child support enforcement services, may resume the offset when the party ordered to provide private health care coverage for the joint child has resumed the court-ordered private health care coverage or enrolled the joint child in other private health care coverage. The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must resume the offset effective the first day of the month following certification that private health care coverage is in place for the joint child.

(d) A party may contest the public authority's action to remove or resume the offset to the child support obligation if the party makes a written request for a hearing within 30 days after receiving written notice. If a party makes a timely request for a hearing, the public authority must schedule a hearing and send written notice of the hearing to the parties by mail to the parties' last known addresses at least 14 days before the hearing. The hearing must be conducted in district court or in the expedited child support process if section 484.702 applies. The district court or child support magistrate must determine whether removing or resuming the offset is appropriate and, if appropriate, the effective date for the removal or resumption.

Subd. 16a. Suspension or reinstatement of medical support contribution. (a) If a party is the parent with primary physical custody, as defined in section 518A.26, subdivision 17, and is ordered to carry private health care coverage for the joint child but fails to carry the court-ordered private health care coverage, the public authority may suspend the medical support obligation of the other party if that party has been court-ordered to contribute to the cost of the private health care coverage carried by the parent with primary physical custody of the joint child.

(b) If the public authority provides child support enforcement services, the public authority may suspend the other party's medical support contribution toward private health care coverage when:

- (1) the party's court-ordered private health care coverage for the joint child terminates;
- (2) the party does not enroll the joint child in other private health care coverage; and
- (3) a modification motion is not pending.

The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must remove the medical support contribution effective the first day of the month following the termination of the joint child's private health care coverage.

(c) If the public authority provides child support enforcement services, the public authority may reinstate the medical support contribution when the party ordered to provide private health care coverage for the joint child has resumed the joint child's court-ordered private health care coverage or has enrolled the joint child in other private health care coverage. The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must resume the medical support contribution effective the first day of the month following certification that the joint child is enrolled in private health care coverage.

(d) A party may contest the public authority's action to suspend or reinstate the medical support contribution if the party makes a written request for a hearing within 30 days after receiving written notice. If a party makes a timely request for a hearing, the public authority must schedule a hearing and send written notice of the hearing to the parties by mail to the parties' last known addresses at least 14 days before the hearing. The hearing must be conducted in district court or in the expedited child support process if section 484.702 applies. The district court or child support magistrate must determine whether suspending or reinstating the medical support contribution is appropriate and, if appropriate, the effective date of the removal or reinstatement of the medical support contribution.

Subd. 17. **Collecting unreimbursed or uninsured ~~medical~~ health-related expenses.** (a) This subdivision and subdivision 18 apply when a court order has determined and ordered the parties' proportionate share and responsibility to contribute to unreimbursed or uninsured ~~medical~~ health-related expenses.

(b) A party requesting reimbursement of unreimbursed or uninsured ~~medical~~ health-related expenses must initiate a request to the other party within two years of the date that the requesting party incurred the unreimbursed or uninsured ~~medical~~ health-related expenses. If a court order has been signed ordering the contribution ~~towards~~ toward unreimbursed or uninsured expenses, a two-year limitations provision must be applied to any requests made on or after January 1, 2007. The provisions of this section apply retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or uninsured expenses made on or after January 1, 2007, may include expenses incurred before January 1, 2007, and on or after January 1, 2005.

(c) A requesting party must mail a written notice of intent to collect the unreimbursed or uninsured ~~medical~~ health-related expenses and a copy of an affidavit of health care expenses to the other party at the other party's last known address.

(d) The written notice must include a statement that the other party has 30 days from the date the notice was mailed to (1) pay in full; (2) agree to a payment schedule; or (3) file a motion requesting a hearing to contest the amount due or to set a court-ordered monthly payment amount. If the public authority provides services, the written notice also must include a statement that, if the other party does not respond within the 30 days, the requesting party may submit the amount due to the public authority for collection.

(e) The affidavit of health care expenses must itemize and document the joint child's unreimbursed or uninsured ~~medical~~ health-related expenses and include copies of all bills, receipts, and insurance company explanations of benefits.

(f) If the other party does not respond to the request for reimbursement within 30 days, the requesting party may commence enforcement against the other party under subdivision 18; file a motion for a court-ordered monthly payment amount under paragraph (i); or notify the public authority, if the public authority provides services, that the other party has not responded.

(g) The notice to the public authority must include: a copy of the written notice, a copy of the affidavit of health care expenses, and copies of all bills, receipts, and insurance company explanations of benefits.

(h) If noticed under paragraph (f), the public authority must serve the other party with a notice of intent to enforce unreimbursed and uninsured ~~medical~~ health-related expenses and file an affidavit of service by mail with the district court administrator. The notice must state that the other party has 14 days to (1) pay in full; or (2) file a motion to contest the amount due or to set a court-ordered monthly payment amount. The notice must also state that if there is no response within 14 days, the public authority will commence enforcement of the expenses as arrears under subdivision 18.

(i) To contest the amount due or set a court-ordered monthly payment amount, a party must file a timely motion and schedule a hearing in district court or in the expedited child support process if section 484.702 applies. The moving party must provide the other party and the public authority, if the public authority provides services, with written notice at least 14 days before the hearing by mailing notice of the hearing to the public authority and to the requesting party at the requesting party's last known address. The moving party must file the affidavit of health care expenses with the court at least five days before the hearing. The district court or child support magistrate must determine liability for the expenses and order that the liable party is subject to enforcement of the expenses as arrears under subdivision 18 or set a court-ordered monthly payment amount.

Subd. 18. **Enforcing unreimbursed or uninsured ~~medical~~ health-related expenses as arrears.** (a) Unreimbursed or uninsured ~~medical~~ health-related expenses enforced under this subdivision are collected as arrears.

(b) If the liable party is the parent with primary physical custody as defined in section 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses must be deducted from any arrears the requesting party owes the liable party. If unreimbursed or uninsured expenses remain after the deduction, the expenses must be collected as follows:

(1) If the requesting party owes a current child support obligation to the liable party, 20 percent of each payment received from the requesting party must be returned to the requesting party. The total amount returned to the requesting party each month must not exceed 20 percent of the current monthly support obligation.

(2) If the requesting party does not owe current child support or arrears, a payment agreement under section 518A.69 is required. If the liable party fails to enter into or comply with a payment agreement, the requesting party or the public authority, if the public authority provides services, may schedule a hearing to set a court-ordered payment. The requesting party or the public authority must provide the liable party with written notice of the hearing at least 14 days before the hearing.

(c) If the liable party is not the parent with primary physical custody as defined in section 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses must be deducted from any arrears the requesting party owes the liable party. If unreimbursed or uninsured expenses remain after the deduction, the expenses must be added and collected as arrears owed by the liable party.

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

Sec. 6. Minnesota Statutes 2022, section 518A.42, subdivision 1, is amended to read:

Subdivision 1. **Ability to pay.** (a) It is a rebuttable presumption that a child support order should not exceed the obligor's ability to pay. To determine the amount of child support the obligor has the ability to pay, the court shall follow the procedure set out in this section.

(b) The court shall calculate the obligor's income available for support by subtracting a monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one person from the obligor's parental income for determining child support (PICS). If benefits under section 518A.31 are received by the obligee as a representative payee for a joint child or are received by the child attending school, based on the other parent's eligibility, the court shall subtract the amount of benefits from the obligor's PICS before subtracting the self-support reserve. If the obligor's income available for support calculated under this paragraph is equal to or greater than the obligor's support obligation calculated under section 518A.34, the court shall order child support under section 518A.34.

(c) If the obligor's income available for support calculated under paragraph (b) is more than the minimum support amount under subdivision 2, but less than the guideline amount under section 518A.34, then the court shall apply a reduction to the child support obligation in the following order, until the support order is equal to the obligor's income available for support:

- (1) medical support obligation;
- (2) child care support obligation; and
- (3) basic support obligation.

(d) If the obligor's income available for support calculated under paragraph (b) is equal to or less than the minimum support amount under subdivision 2 or if the obligor's gross income is less than 120 percent of the federal poverty guidelines for one person, the minimum support amount under subdivision 2 applies.

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

Sec. 7. Minnesota Statutes 2022, section 518A.42, subdivision 3, is amended to read:

Subd. 3. **Exception.** (a) This section does not apply to an obligor who is incarcerated or is a recipient of a general assistance grant, Supplemental Security Income, temporary assistance for needy families (TANF) grant, or comparable state-funded Minnesota family investment program (MFIP) benefits.

(b) If the court finds the obligor receives no income and completely lacks the ability to earn income, the minimum basic support amount under this subdivision does not apply.

(c) If the obligor's basic support amount is reduced below the minimum basic support amount due to the application of the parenting expense adjustment, the minimum basic support amount under this subdivision does not apply and the lesser amount is the guideline basic support.

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

Sec. 8. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

Subd. 1b. **Increase in income of custodial parent.** In a modification of support under section 518A.39, the court may deviate from the presumptive child support obligation under section 518A.34 when the only change in circumstances is an increase to the custodial parent's income and:

- ~~(1) the basic support increases;~~
- ~~(2) the parties' combined gross income is \$6,000 or less; or~~
- ~~(3) the obligor's income is \$2,000 or less.~~

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

Sec. 9. Minnesota Statutes 2022, section 518A.65, is amended to read:

518A.65 DRIVER'S LICENSE SUSPENSION.

(a) Upon motion of an obligee, which has been properly served on the obligor and upon which there has been an opportunity for hearing, if a court finds that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority, the court ~~shall~~ may order the commissioner of public

safety to suspend the obligor's driver's license. The court may consider the circumstances in paragraph (i) to determine whether driver's license suspension is an appropriate remedy that is likely to induce the payment of child support. The court may consider whether driver's license suspension would have a direct harmful effect on the obligor or joint children that would make driver's license suspension an inappropriate remedy. The public authority may not administratively reinstate a driver's license suspended by the court unless specifically authorized to do so in the court order. This paragraph expires December 31, 2025.

(b) This paragraph is effective January 1, 2026. Upon the motion of an obligee that has been properly served on the obligor and for which there has been an opportunity for a hearing, if a court finds that the obligor has a valid driver's license issued by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority, the court may order the commissioner of public safety to suspend the obligor's driver's license. The court may consider the circumstances in paragraph (i) to determine whether driver's license suspension is an appropriate remedy that is likely to induce the payment of child support. The court may consider whether driver's license suspension would have a direct harmful effect on the obligor or joint children that would make driver's license suspension an inappropriate remedy. The public authority may not administratively reinstate a driver's license suspended by the court unless specifically authorized to do so in the court order.

(c) The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement pursuant to section 518A.69. The payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement pursuant to section 518A.69 after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall suspend the obligor's driver's license. The remedy under this section is in addition to any other enforcement remedy available to the court. An obligee may not bring a motion under this paragraph within 12 months of a denial of a previous motion under this paragraph.

~~(b)~~ (d) If a public authority responsible for child support enforcement determines that the obligor has been or may be issued a driver's license by the commissioner of public safety and; the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license unless exercising administrative discretion under paragraph (i). The remedy under this section is in addition to any other enforcement remedy available to the public authority. This paragraph expires December 31, 2025.

(e) This paragraph is effective January 1, 2026. If a public authority responsible for child support enforcement determines that:

(1) the obligor has a valid driver's license issued by the commissioner of public safety;

(2) the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments;

(3) the obligor is not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority; and

(4) the obligor's mailing address is known to the public authority;

then the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license unless exercising administrative discretion under paragraph (i). The remedy under this section is in addition to any other enforcement remedy available to the public authority.

~~(e)~~ (f) At least 90 days prior to notifying the commissioner of public safety according to paragraph ~~(b)~~ (d), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to seek suspension of the obligor's driver's license and that the obligor must request a hearing within 30 days in order to contest the suspension. If the obligor makes a written request for a hearing within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice must include information that apprises the obligor of the requirement to develop a written payment agreement that is approved by a court, a child support magistrate, or the public authority responsible for child support enforcement regarding child support, maintenance, and any arrearages in order to avoid license suspension. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement pursuant to section 518A.69 that is approved by the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license under paragraph ~~(b)~~ (d).

~~(d)~~ (g) At a hearing requested by the obligor under paragraph ~~(e)~~ (f), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the district court or child support magistrate shall order the commissioner of public safety to suspend the obligor's driver's license or operating privileges unless:

(1) the court or child support magistrate determines that the obligor has executed and is in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority; or

(2) the court, in its discretion, determines that driver's license suspension is unlikely to induce payment of child support or would have direct harmful effects on the obligor or joint child that makes driver's license suspension an inappropriate remedy. The court may consider the circumstances in paragraph (i) in exercising the court's discretion.

~~(e)~~ (h) An obligor whose driver's license or operating privileges are suspended may:

(1) provide proof to the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements pursuant to section 518A.69;

(2) bring a motion for reinstatement of the driver's license. At the hearing, if the court or child support magistrate orders reinstatement of the driver's license, the court or child support magistrate must establish a written payment agreement pursuant to section 518A.69; or

(3) seek a limited license under section 171.30. A limited license issued to an obligor under section 171.30 expires 90 days after the date it is issued.

Within 15 days of the receipt of that proof or a court order, the public authority shall inform the commissioner of public safety that the obligor's driver's license or operating privileges should no longer be suspended.

(i) Prior to notifying the commissioner of public safety that an obligor's driver's license should be suspended or after an obligor's driving privileges have been suspended, the public authority responsible for child support enforcement may use administrative authority to end the suspension process or inform the commissioner of public safety that the obligor's driving privileges should no longer be suspended under any of the following circumstances:

(1) the full amount of court-ordered payments have been received for at least one month;

(2) an income withholding notice has been sent to an employer or payor of money;

(3) payments less than the full court-ordered amount have been received and the circumstances of the obligor demonstrate the obligor's substantial intent to comply with the order;

(4) the obligor receives public assistance;

(5) the case is being reviewed by the public authority for downward modification due to changes in the obligor's financial circumstances or a party has filed a motion to modify the child support order;

(6) the obligor no longer lives in the state and the child support case is in the process of interstate enforcement;

(7) the obligor is currently incarcerated for one week or more or is receiving in-patient treatment for physical health, mental health, chemical dependency, or other treatment. This clause applies for six months after the obligor is no longer incarcerated or receiving in-patient treatment;

(8) the obligor is temporarily or permanently disabled and unable to pay child support;

(9) the obligor has presented evidence to the public authority that the obligor needs driving privileges to maintain or obtain the obligor's employment;

(10) the obligor has not had a meaningful opportunity to pay toward arrears; or

(11) other circumstances of the obligor indicate that a temporary condition exists for which suspension of the obligor's driver's license for the nonpayment of child support is not appropriate. When considering whether suspension of the obligor's driver's license is appropriate, the public authority must assess: (i) whether suspension of the obligor's driver's license is likely to induce payment of child support; and (ii) whether suspension of the obligor's driver's license would have direct harmful effects on the obligor or joint children that make driver's license suspension an inappropriate remedy.

The presence of circumstances in this paragraph does not prevent the public authority from proceeding with a suspension of the obligor's driver's license.

~~(f)~~ (j) In addition to the criteria established under this section for the suspension of an obligor's driver's license, a court, a child support magistrate, or the public authority may direct the commissioner of public safety to suspend the license of a party who has failed, after receiving notice, to comply with a subpoena relating to a paternity or child support proceeding. Notice to an obligor of intent to suspend must be served by first class mail at the obligor's last known address. The notice must inform the obligor of the right to request a hearing. If the obligor makes a written request within ten days of the date of the hearing, a hearing must be held. At the hearing, the only issues to be considered are mistake of fact and whether the obligor received the subpoena.

~~(g)~~ (k) The license of an obligor who fails to remain in compliance with an approved written payment agreement may be suspended. Prior to suspending a license for noncompliance with an approved written payment agreement, the public authority must mail to the obligor's last known address a written notice that (1) the public authority intends to seek suspension of the obligor's driver's license under this paragraph, and (2) the obligor must request a hearing, within 30 days of the date of the notice, to contest the suspension. If, within 30 days of the date of the notice, the public authority does not receive a written request for a hearing and the obligor does not comply with an approved written payment agreement, the public authority must direct the Department of Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor makes a written request for a hearing within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail at the obligor's last known address. If the obligor appears at the hearing and the court determines that the obligor has failed to comply with an approved written payment agreement, the court or public authority shall notify the Department of Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor fails to appear at the hearing, the court or public authority must notify the Department of Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d).

Sec. 10. Minnesota Statutes 2022, section 518A.77, is amended to read:

518A.77 GUIDELINES REVIEW.

~~(a)~~ No later than 2006 and every four years after that, the Department of Human Services must conduct a review of the child support guidelines as required under Code of Federal Regulations, title 45, section 302.56(h).

~~(b) This section expires January 1, 2032.~~

Sec. 11. **REPEALER.**

Minnesota Statutes 2022, section 518A.59, is repealed.

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

ARTICLE 4
LICENSING

Section 1. Minnesota Statutes 2022, section 245.095, is amended to read:

245.095 LIMITS ON RECEIVING PUBLIC FUNDS.

Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 256.01, is excluded from that program, the commissioner shall:

(1) prohibit the excluded provider, vendor, or individual from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider, vendor, or individual in any other program administered by the commissioner.

(b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 256.01, is excluded from that program, the commissioner may:

(1) prohibit any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities or associated individuals in any other program administered by the commissioner.

(c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds under any contract or registered in any program administered by a Minnesota state or federal agency is excluded from that program, the commissioner of human services may:

(1) prohibit the excluded provider, vendor, individual, or any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any program administered by the commissioner; and

(2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider, vendor, individual, or any associated entities or associated individuals in any program administered by the commissioner.

~~(b)~~ (d) The duration of ~~this~~ a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraph (a) must last for the longest applicable sanction or disqualifying period in effect for the provider, vendor, or individual permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraphs (b) and (c) may last until up to the longest applicable sanction or disqualifying period in effect for the provider, vendor, individual, associated entity, or associated individual as permitted by state or federal law.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the meanings given ~~them~~.

(b) "Associated entity" means a provider or vendor owned or controlled by an excluded individual.

(c) "Associated individual" means an individual or entity that has a relationship with the business or its owners or controlling individuals, such that the individual or entity would have knowledge of the financial practices of the program in question.

~~(b)~~ (d) "Excluded" means ~~disenrolled, disqualified, having a license that has been revoked or suspended under chapter 245A, or debarred or suspended under Minnesota Rules, part 1230.1150, or excluded pursuant to section 256B.064, subdivision 3~~ removed under other authorities from a program administered by a Minnesota state or federal agency, including a final determination to stop payments.

~~(e)~~ (e) "Individual" means a natural person providing products or services as a provider or vendor.

~~(d)~~ (f) "Provider" ~~includes any entity or individual receiving payment from a program administered by the Department of Human Services, and an owner, controlling individual, license holder, director, or managerial official of an entity receiving payment from a program administered by the Department of Human Services~~ means any entity, individual, owner, controlling individual, license holder, director, or managerial official of an entity receiving payment from a program administered by a Minnesota state or federal agency.

Subd. 3. **Notice.** Within five days of taking an action under subdivision (1), paragraph (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated entity, the commissioner must send notice of the action to the provider, vendor, individual, associated individual, or associated entity. The notice must state:

(1) the basis for the action;

(2) the effective date of the action;

(3) the right to appeal the action; and

(4) the requirements and procedures for reinstatement.

Subd. 4. **Appeal.** Upon receipt of a notice under subdivision 3, a provider, vendor, individual, associated individual, or associated entity may request a contested case hearing, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The scope of any contested case hearing is solely limited to action taken under this section. The commissioner must receive the appeal request no later than 30 days after the date the notice was mailed to the provider, vendor, individual, associated individual, or associated entity. The appeal request must specify:

(1) each disputed item and the reason for the dispute;

(2) the authority in statute or rule upon which the provider, vendor, individual, associated individual, or associated entity relies for each disputed item;

(3) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(4) any other information required by the commissioner.

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner, if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; and

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants.

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

Sec. 2. Minnesota Statutes 2022, section 245A.02, subdivision 2c, is amended to read:

Subd. 2c. **Annual or annually; family child care training requirements.** For the purposes of sections 245A.50 to 245A.53, "annual" or "annually" means ~~the 12-month period beginning on the license effective date or the annual anniversary of the effective date and ending on the day prior to the annual anniversary of the license effective date~~ each calendar year.

Sec. 3. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to read:

Subd. 5b. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is secured using blankets or other material, such as fabric or leather sides, and laces and often has a frame extending to protect the infant's head. The infant is always placed with the infant's head facing outward, and the infant remains supervised in the cradleboard while sleeping or being carried.

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

Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 6b, is amended to read:

Subd. 6b. **Experience.** For purposes of child care centers, "experience" ~~includes~~ is paid or unpaid employment serving children as a teacher, assistant teacher, aide, or a student intern in a licensed child care center, in a public or nonpublic school, or in a program licensed as a family day care or group family day care provider.;

(1) caring for children as a teacher, assistant teacher, aide, or student intern:

(i) in a licensed child care center, a licensed family day care or group family day care, or a Tribally licensed child care program in any United States state or territory; or

(ii) in a public or nonpublic school;

(2) caring for children as a staff person or unsupervised volunteer in a certified, license-exempt child care center under chapter 245H; or

(3) providing direct contact services in a home or residential facility serving children with disabilities that requires a background study under section 245C.03.

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

Sec. 5. Minnesota Statutes 2022, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related unless the residential program is a child foster care placement made by a local social services agency or a licensed child-placing agency, except as provided in subdivision 2a;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not misuse substances or have a substance use disorder, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

- (5) programs operated by a public school for children 33 months or older;
- (6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;
- (7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;
- (8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;
- (9) homes providing programs for persons placed by a county or a licensed agency for legal adoption, unless the adoption is not completed within two years;
- (10) programs licensed by the commissioner of corrections;
- (11) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;
- (12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in section 315.51, whose primary purpose is to provide child care or services to school-age children;
- (13) Head Start nonresidential programs which operate for less than 45 days in each calendar year;
- (14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;
- (15) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;
- (16) residential programs for persons with mental illness, that are located in hospitals;
- (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;
- (18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;
- (19) mental health outpatient services for adults with mental illness or children with emotional disturbance;
- (20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;
- (21) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;
- (22) the placement of a child by a birth parent or legal guardian in a preadoptive home for purposes of adoption as authorized by section 259.47;

(23) settings registered under chapter 144D which provide home care services licensed by the commissioner of health to fewer than seven adults;

(24) substance use disorder treatment activities of licensed professionals in private practice as defined in section 245G.01, subdivision 17;

(25) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:

(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and

(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service;

(26) a program serving only children who are age 33 months or older, that is operated by a nonpublic school, for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:

(i) an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization; or

(ii) an accrediting agency that requires background studies and that receives and investigates complaints about the services provided.

A program that asserts its exemption from licensure under item (ii) shall, upon request from the commissioner, provide the commissioner with documentation from the accrediting agency that verifies: that the accreditation is current; that the accrediting agency investigates complaints about services; and that the accrediting agency's standards require background studies on all people providing direct contact services;

(27) a program operated by a nonprofit organization incorporated in Minnesota or another state that serves youth in kindergarten through grade 12; provides structured, supervised youth development activities; and has learning opportunities take place before or after school, on weekends, or during the summer or other seasonal breaks in the school calendar. A program exempt under this clause is not eligible for child care assistance under chapter 119B. A program exempt under this clause must:

(i) have a director or supervisor on site who is responsible for overseeing written policies relating to the management and control of the daily activities of the program, ensuring the health and safety of program participants, and supervising staff and volunteers;

(ii) have obtained written consent from a parent or legal guardian for each youth participating in activities at the site; and

(iii) have provided written notice to a parent or legal guardian for each youth at the site that the program is not licensed or supervised by the state of Minnesota and is not eligible to receive child care assistance payments;

(28) a county that is an eligible vendor under section 254B.05 to provide care coordination and comprehensive assessment services; ~~or~~

(29) a recovery community organization that is an eligible vendor under section 254B.05 to provide peer recovery support services; ~~or~~

(30) Head Start programs that serve only children who are at least three years old but not yet six years old.

(b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Except for the home and community-based services identified in section 245D.03, subdivision 1, nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

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

Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

- (1) an inspection of the physical plant;
- (2) an inspection of records and documents;
- (3) observation of the program in operation; and

(4) an inspection for the health, safety, and fire standards in licensing requirements for a child care license holder.

(b) The observation in paragraph (a), clause (3), is not required prior to issuing a license under subdivision 7. If the commissioner issues a license under this chapter, these requirements must be completed within one year after the issuance of the license.

(c) Before completing a licensing inspection in a family child care program or child care center, the licensing agency must offer the license holder an exit interview to discuss violations or potential violations of law or rule observed during the inspection and offer technical assistance on how to comply with applicable laws and rules. The commissioner shall not issue a correction order or negative licensing action for violations of law or rule not discussed in an exit interview, unless a license holder chooses not to participate in an exit interview or not to complete the exit interview. If the license holder is unable to complete the exit interview, the licensing agency must offer an alternate time for the license holder to complete the exit interview.

(d) If a family child care license holder disputes a county licensor's interpretation of a licensing requirement during a licensing inspection or exit interview, the license holder may, within five business days after the exit interview or licensing inspection, request clarification from the commissioner, in writing, in a manner prescribed by the commissioner. The license holder's request must describe the county licensor's interpretation of the licensing requirement at issue, and explain why the license holder believes the county licensor's interpretation is inaccurate. The commissioner and the county must include the license holder in all correspondence regarding the disputed interpretation, and must provide an opportunity for the license holder to contribute relevant information that may impact the commissioner's decision. The county licensor must not issue a correction order related to the disputed licensing requirement until the commissioner has provided clarification to the license holder about the licensing requirement.

(e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance with applicable licensing standards.

(f) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports of all child care providers licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in licensed child care settings each year.

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

Sec. 7. Minnesota Statutes 2022, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C;

(10) is prohibited from holding a license according to section 245.095; or

(11) for a family foster setting, has or has an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study who has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the ~~individual's~~ applicant's ability to safely provide care to foster children.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail or personal service. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

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

Sec. 8. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The correction order or conditional license must state the following in plain language:

(1) the specific factual conditions observable or reviewable by the licensor that constitute a violation of the law or rule;

(2) the specific law or rule violated;

(3) the time allowed to correct each violation; and

(4) if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.

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

Sec. 9. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional under section 245A.06, the commissioner may suspend or revoke the license, impose a fine, or secure an injunction against the continuing operation of the program of a license holder who:

(1) does not comply with applicable law or rule, ~~or who~~;

(2) has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children; or

(3) has an individual living in the household where the licensed services are provided or is otherwise subject to a background study, and the individual has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 245A.06, and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 245A.10. The temporary provisional license shall expire on the date the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section, section 245A.06, or 245A.08.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

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

Sec. 10. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095; ~~or~~

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

(6) for a family foster setting, a license holder or an individual living in the household where the licensed services are provided or who is otherwise subject to a background study has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit \$5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed \$1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

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

Sec. 11. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision to read:

Subd. 12. License holder qualifications for child foster care. (a) Child foster care license holders must maintain the ability to care for a foster child and ensure a safe home environment for children placed in their care. License holders must immediately notify the licensing agency of:

(1) any changes to the license holder or household member's physical or behavioral health that may affect the license holder's ability to care for a foster child or pose a risk to a foster child's health; or

(2) changes related to the care of a child or vulnerable adult for whom the license holder is a parent or legally responsible, including living out of the home for treatment for physical or behavioral health, modified parenting time arrangements, legal custody, or placement in foster care.

(b) The licensing agency may request a license holder or household member to undergo an evaluation by a specialist in areas such as physical or behavioral health to evaluate the license holder's ability to provide a safe environment for a foster child. Prior to assigning a specialist to evaluate, the licensing agency must tell the license holder or household member why the licensing agency has requested a specialist evaluation and request a release of information from the license holder or household member.

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

Sec. 12. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

Subd. 4. Special family child care homes. (a) Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family child care or group family child care if:

~~(a)~~ (1) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

~~(b)~~ (2) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

~~(c)~~ (3) the license holder is a church or religious organization;

~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 256E.31;

~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services. The county licensing agency may grant a capacity variance to a license holder licensed under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

- (+) (i) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;
- (+) (ii) the program meets a one to seven staff-to-child ratio during the variance period;
- (+) (iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;
- (+) (iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;
- (+) (v) the program is in compliance with local zoning regulations;
- (+) (vi) the program is in compliance with the applicable fire code as follows:
 - (+) (A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~ 2020, Section 202; or
 - (+) (B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020, Section 202; and
- (+) (vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or
- (+) (6) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:
 - (+) (i) the program is in compliance with local zoning regulations;
 - (+) (ii) the program is in compliance with the applicable fire code as follows:
 - (+) (A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~ 2020, Section 202; or
 - (+) (B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided under the Minnesota State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;
 - (+) (iii) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and
 - (+) (iv) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."
- (+) (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph ~~(b), (c), or (e)~~ (a), clause (2), (3), or (5). Each license must have its own primary provider of care as required under paragraph ~~(+) (d)~~. Each license must operate as a distinct and separate program in compliance with all applicable laws and regulations.

~~(h)~~ (c) For licenses issued under paragraph ~~(b), (c), (d), (e), or (f)~~ (a), clause (2), (3), (4), (5), or (6), the commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder is able to demonstrate compliance with all applicable rules and laws. Each licensed program must operate as a distinct program and within the capacity, age, and ratio distributions of each license.

~~(i)~~ (d) For a license issued under paragraph ~~(b), (c), or (e)~~ (a), clause (2), (3), or (5), the license holder must designate a person to be the primary provider of care at the licensed location on a form and in a manner prescribed by the commissioner. The license holder shall notify the commissioner in writing before there is a change of the person designated to be the primary provider of care. The primary provider of care:

(1) must be the person who will be the provider of care at the program and present during the hours of operation;

(2) must operate the program in compliance with applicable laws and regulations under chapter 245A and Minnesota Rules, chapter 9502;

(3) is considered a child care background study subject as defined in section 245C.02, subdivision 6a, and must comply with background study requirements in chapter 245C;

(4) must complete the training that is required of license holders in section 245A.50; and

(5) is authorized to communicate with the county licensing agency and the department on matters related to licensing.

~~(j)~~ (e) For any license issued under this subdivision, the license holder must ensure that any other caregiver, substitute, or helper who assists in the care of children meets the training requirements in section 245A.50 and background study requirements under chapter 245C.

Sec. 13. Minnesota Statutes 2022, section 245A.1435, is amended to read:

245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH IN LICENSED PROGRAMS.

(a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician, advanced practice registered nurse, or physician assistant directing an alternative sleeping position for the infant. The physician, advanced practice registered nurse, or physician assistant directive must be on a form ~~approved~~ developed by the commissioner and must remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.

(b) The license holder must place the infant in a crib directly on a firm mattress with a fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation occurred when an infant was present in the license holder's care.

(c) If an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(d) When a license holder places an infant under one year of age down to sleep, the infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

(e) A license holder may place an infant under one year of age down to sleep wearing a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

~~(d)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its own down to sleep in a one-piece sleeper equipped with an attached system that fastens securely only across the upper torso, with no constriction of the hips or legs, to create a swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms, fastens securely only across the infant's upper torso, and does not constrict the infant's hips or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use of swaddling for sleep by a provider licensed under this chapter, the license holder must obtain informed written consent for the use of swaddling from the parent or guardian of the infant on a form provided developed by the commissioner and prepared in partnership with the Minnesota Sudden Infant Death Center.

(g) A license holder may request a variance to this section to permit the use of a cradleboard when requested by a parent or guardian for a cultural accommodation. A variance for the use of a cradleboard may be issued only by the commissioner. The variance request must be submitted on a form developed by the commissioner in partnership with Tribal welfare agencies and the Department of Health.

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

Sec. 14. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed on the license, all license holders shall check all their cribs' brand names and model numbers against the United States Consumer Product Safety Commission website listing of unsafe cribs.

(b) The license holder shall maintain written documentation to be reviewed on site for each crib showing that the review required in paragraph (a) has been completed, and which of the following conditions applies:

(1) the crib was not identified as unsafe on the United States Consumer Product Safety Commission website;

(2) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, but the license holder has taken the action directed by the United States Consumer Product Safety Commission to make the crib safe; or

(3) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, and the license holder has removed the crib so that it is no longer used by or accessible to children in care.

(c) Documentation of the review completed under this subdivision shall be maintained by the license holder on site and made available to parents or guardians of children in care and the commissioner.

(d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that complies with this section may use a mesh-sided or fabric-sided play yard, pack and play, or playpen or crib that has not been identified as unsafe on the United States Consumer Product Safety Commission website for the care or sleeping of infants.

(e) On at least a monthly basis, the family child care license holder shall perform safety inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used by or that is accessible to any child in care, and must document the following:

(1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of crib;

(2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

(3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

(4) no tears or holes to top rail of crib;

(5) the mattress floor board is not soft and does not exceed one inch thick;

(6) the mattress floor board has no rips or tears in covering;

(7) the mattress floor board in use is ~~a water-proof~~ an original mattress or replacement mattress provided by the manufacturer of the crib;

(8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

(9) there are no knobs or wing nuts on outside crib legs;

(10) there are no missing, loose, or exposed staples; and

(11) the latches on top and side rails used to collapse crib are secure, they lock properly, and are not loose.

(f) If a cradleboard is used in a licensed setting, the license holder must check the cradleboard not less than monthly to ensure the cradleboard is structurally sound and there are no loose or protruding parts. The license holder shall maintain written documentation of this review.

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

Sec. 15. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 and background studies for family child care under chapter 245C; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; ~~and~~

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care; and

(9) variances to section 245A.1435 for the use of a cradleboard for a cultural accommodation.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(c) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(d) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(e) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(f) A license issued under this section may be issued for up to two years.

(g) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

(h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

(i) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

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

Sec. 16. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

Subd. 9. **Licensed family foster settings.** (a) Before recommending to grant a license, deny a license under section 245A.05, or revoke a license under section 245A.07 for nondisqualifying background study information received under section 245C.05, subdivision 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private agency that has been designated or licensed by the commissioner must review the following for the license holder, the applicant, and an individual living in the household where the licensed services are provided or who is otherwise subject to a background study:

(1) the type of offenses;

(2) the number of offenses;

(3) the nature of the offenses;

(4) the age of the individual at the time of the offenses;

(5) the length of time that has elapsed since the last offense;

(6) the relationship of the offenses and the capacity to care for a child;

(7) evidence of rehabilitation;

(8) information or knowledge from community members regarding the individual's capacity to provide foster care;

(9) any available information regarding child maltreatment reports or child in need of protection or services petitions, or related cases, in which the individual has been involved or implicated, and documentation that the individual has remedied issues or conditions identified in child protection or court records that are relevant to safely caring for a child;

(10) a statement from the study subject;

(11) a statement from the license holder; and

(12) other aggravating and mitigating factors.

(b) For purposes of this section, "evidence of rehabilitation" includes but is not limited to the following:

(1) maintaining a safe and stable residence;

(2) continuous, regular, or stable employment;

(3) successful participation in an education or job training program;

(4) positive involvement with the community or extended family;

(5) compliance with the terms and conditions of probation or parole following the individual's most recent conviction;

(6) if the individual has had a substance use disorder, successful completion of a substance use disorder assessment, substance use disorder treatment, and recommended continuing care, if applicable, demonstrated abstinence from controlled substances, as defined in section 152.01, subdivision 4, or the establishment of a sober network;

(7) if the individual has had a mental illness or documented mental health issues, demonstrated completion of a mental health evaluation, participation in therapy or other recommended mental health treatment, or appropriate medication management, if applicable;

(8) if the individual's offense or conduct involved domestic violence, demonstrated completion of a domestic violence or anger management program, and the absence of any orders for protection or harassment restraining orders against the individual since the previous offense or conduct;

(9) written letters of support from individuals of good repute, including but not limited to employers, members of the clergy, probation or parole officers, volunteer supervisors, or social services workers;

(10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior changes; and

(11) absence of convictions or arrests since the previous offense or conduct, including any convictions that were expunged or pardoned.

(c) An applicant for a family foster setting license must sign all releases of information requested by the county or private licensing agency.

(d) When licensing a relative for a family foster setting, the commissioner shall also consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether an application will be denied.

(e) When recommending that the commissioner deny or revoke a license, the county or private licensing agency must send a summary of the review completed according to paragraph (a), on a form developed by the commissioner, to the commissioner and include any recommendation for licensing action.

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

Sec. 17. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision to read:

Subd. 10. Electronic checklist use by family child care licensors. County staff who perform family child care licensing functions must use the commissioner's electronic licensing checklist in the manner prescribed by the commissioner.

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

Sec. 18. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the ~~Department of Public Safety~~, Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 245A.035, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

Sec. 19. Minnesota Statutes 2022, section 245A.22, is amended by adding a subdivision to read:

Subd. 8. **Maltreatment of minors training requirements.** The license holder must train each mandatory reporter as described in section 260E.06, subdivision 1, on the maltreatment of minors reporting requirements and definitions in chapter 260E before the mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program. The license holder must train each mandatory reporter annually thereafter.

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

Sec. 20. **[245A.42] CHILD CARE CENTER HIRING PRACTICES.**

As part of the employment assessment process, a child care center license holder or staff person may observe how a prospective employee interacts with children in the licensed facility. The prospective employee is not considered a child care background study subject under section 245C.02, subdivision 6a, provided the prospective employee is under continuous direct supervision by a staff person when the prospective employee has physical access to a child served by the center. The observation period shall not be longer than two hours, and a prospective employee must not be counted in staff-to-child ratios.

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

Sec. 21. Minnesota Statutes 2022, section 245A.50, subdivision 3, is amended to read:

Subd. 3. **First aid.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training include individuals approved as first aid instructors. License holders, second adult caregivers, and substitutes must repeat pediatric first aid training every two years. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~ License holders, second adult caregivers, and substitutes must not let the training expire.

(b) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

Sec. 22. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

Subd. 4. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction. License holders, second adult caregivers, and substitutes must repeat pediatric CPR training at least once every two years and must document the training in the license holder's records. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~ License holders, second adult caregivers, and substitutes must not let the training expire.

(b) Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

Sec. 23. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

Subd. 5. **Sudden unexpected infant death and abusive head trauma training.** (a) License holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death. In addition, license holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants and children under school age, they receive training on reducing the risk of abusive head trauma from shaking infants and young children. The training in this subdivision may be provided as initial training under subdivision 1 or ongoing annual training under subdivision 7.

(b) Sudden unexpected infant death reduction training required under this subdivision must, at a minimum, address the risk factors related to sudden unexpected infant death, means of reducing the risk of sudden unexpected infant death in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death.

(c) Abusive head trauma training required under this subdivision must, at a minimum, address the risk factors related to shaking infants and young children, means of reducing the risk of abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of abusive head trauma.

(d) Training for family and group family child care providers must be developed by the commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved by the Minnesota Center for Professional Development. Sudden unexpected infant death reduction training and abusive head trauma training may be provided in a single course of no more than two hours in length.

(e) Sudden unexpected infant death reduction training and abusive head trauma training required under this subdivision must be completed in person or as allowed under subdivision 10, clause (1) or (2), at least once every two years. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~ On the years when the individual receiving training is not receiving training in person or as allowed under subdivision 10, clause (1) or (2), the individual receiving training in accordance with this subdivision must receive sudden unexpected infant death reduction training and abusive head trauma training through a video of no more than one hour in length. The video must be developed or approved by the commissioner.

(f) An individual who is related to the license holder as defined in section 245A.02, subdivision 13, and who is involved only in the care of the license holder's own infant or child under school age and who is not designated to be a second adult caregiver, helper, or substitute for the licensed program, is exempt from the sudden unexpected infant death and abusive head trauma training.

Sec. 24. Minnesota Statutes 2022, section 245A.50, subdivision 6, is amended to read:

Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Human Services that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age eight in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 7.

(2) Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~ At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

Sec. 25. Minnesota Statutes 2022, section 245A.50, subdivision 9, is amended to read:

Subd. 9. **Supervising for safety; training requirement.** (a) Courses required by this subdivision must include the following health and safety topics:

(1) preventing and controlling infectious diseases;

(2) administering medication;

- (3) preventing and responding to allergies;
- (4) ensuring building and physical premises safety;
- (5) handling and storing biological contaminants;
- (6) preventing and reporting child abuse and maltreatment; and
- (7) emergency preparedness.

(b) Before initial licensure and before caring for a child, all family child care license holders and each second adult caregiver shall complete and document the completion of the six-hour Supervising for Safety for Family Child Care course developed by the commissioner.

(c) The license holder must ensure and document that, before caring for a child, all substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course developed by the commissioner, which must include health and safety topics as well as child development and learning.

(d) The family child care license holder and each second adult caregiver shall complete and document:

(1) the annual completion of either:

(i) a two-hour active supervision course developed by the commissioner; or

(ii) any courses in the ensuring safety competency area under the health, safety, and nutrition standard of the Knowledge and Competency Framework that the commissioner has identified as an active supervision training course; and

(2) the completion at least once every five years of the two-hour courses Health and Safety I and Health and Safety II. ~~When the training is due for the first time or expires, it must be taken no later than the day before the anniversary of the license holder's license effective date.~~ A license holder's or second adult caregiver's completion of either training in a given year meets the annual active supervision training requirement in clause (1).

(e) At least once every three years, license holders must ensure and document that substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~

Sec. 26. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

Subdivision 1. **Means of escape.** (a)(1) At least one emergency escape route separate from the main exit from the space must be available in each room used for sleeping by anyone receiving licensed care, and (2) a basement used for child care. One means of escape must be a stairway or door leading to the floor of exit discharge. The other must be a door or window leading directly outside. A window used as an emergency escape route must be openable without special knowledge.

(b) In homes with construction that began before ~~May 2, 2016~~ March 31, 2020, the interior of the window leading directly outside must have a net clear opening area of not less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 48 inches from the floor. The height to the window may be measured from a platform if a platform is located below the window.

(c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, the interior of the window leading directly outside must have minimum clear opening dimensions of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 44 inches from the floor.

~~(4)~~ Additional requirements are dependent on the distance of the openings from the ground outside the window: (1) windows or other openings with a sill height not more than 44 inches above or below the finished ground level adjacent to the opening (grade-floor emergency escape and rescue openings) must have a minimum opening of five square feet; and (2) non-grade-floor emergency escape and rescue openings must have a minimum opening of 5.7 square feet.

Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:

Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including but not limited to plastic, fabric, and wood products must not be located within:

(1) 18 inches of a gas or fuel-oil heater or furnace; or

(2) 36 inches of a solid-fuel-burning appliance.

(b) If a license holder produces manufacturer instructions listing a smaller distance, then the manufacturer instructions control the distance combustible items must be from gas, fuel-oil, or solid-fuel burning heaters or furnaces.

Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:

Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved and operational carbon monoxide alarm installed within ten feet of each room used for sleeping children in care.

(b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly installed and maintained ~~on all levels including basements, but not including crawl spaces and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.~~ in hallways outside of rooms used for sleeping children and on all levels, including basements but not including crawl spaces and uninhabitable attics.

(c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, smoke alarms must be installed and maintained in each room used for sleeping children in care.

Sec. 29. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision to read:

Subd. 8. **Fire code variances.** When a variance is requested of the standards contained in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from the state fire marshal of the variance requested and the alternative measures identified to ensure the safety of children in care.

Sec. 30. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision to read:

Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training required by the applicable licensing rules and statutes, children's residential facility and private child-placing agency license holders must provide a training annually on the maltreatment of minors reporting requirements and definitions in chapter 260E to each mandatory reporter, as described in section 260E.06, subdivision 1.

(b) In addition to the orientation training required by the applicable licensing rules and statutes, all family child foster care license holders and caregivers and foster residence setting staff and volunteers that are mandatory reporters as described in section 260E.06, subdivision 1, must complete training each year on the maltreatment of minors reporting requirements and definitions in chapter 260E.

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

Sec. 31. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member has the training described in this subdivision.

(b) Each staff member must be trained every two years in:

(1) client confidentiality rules and regulations and client ethical boundaries; and

(2) emergency procedures and client rights as specified in sections 144.651, 148F.165, and 253B.03.

(c) Annually each staff member with direct contact must be trained on mandatory reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E, including specific training covering the license holder's policies for obtaining a release of client information.

(d) Upon employment and annually thereafter, each staff member with direct contact must receive training on HIV minimum standards according to section 245A.19.

(e) The license holder must ensure that each mandatory reporter, as described in section 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements and definitions in chapter 260E before the mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

~~(e)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12 hours of training in co-occurring disorders that includes competencies related to philosophy, trauma-informed care, screening, assessment, diagnosis and person-centered treatment planning, documentation, programming, medication, collaboration, mental health consultation, and discharge planning. A new staff member who has not obtained the training must complete the training within six months of employment. A staff member may request, and the license holder may grant, credit for relevant training obtained before employment, which must be documented in the staff member's personnel file.

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

Sec. 32. Minnesota Statutes 2022, section 245H.01, subdivision 5, is amended to read:

Subd. 5. **Certified license-exempt child care center.** "Certified license-exempt child care center" means the commissioner's written authorization for a child care center excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13), (15), (18), ~~or (26), or (30)~~, to register to receive child care assistance payments under chapter 119B.

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

Sec. 33. Minnesota Statutes 2022, section 245H.02, is amended to read:

245H.02 WHO MUST BE CERTIFIED.

A program that is exempt from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13), (15), (18), ~~or (26), and is authorized to receive child care assistance payments under chapter 119B or (30),~~ must be a certified license-exempt child care center according to this section to receive child care assistance payments under chapter 119B.

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

Sec. 34. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision to read:

Subd. 5. Notification required. (a) A certification holder must notify the commissioner, in a manner prescribed by the commissioner, and obtain the commissioner's approval before making any changes:

(1) to the certification holder as defined in section 245H.01, subdivision 4;

(2) to the certification holder information on file with the secretary of state or Department of Revenue;

(3) in the location of the program certified under this chapter;

(4) to the ages of children served by the program; or

(5) to the certified center's schedule including its:

(i) yearly schedule;

(ii) hours of operation; or

(iii) days of the week it is open.

(b) When, for reasons beyond the certification holder's control, a certification holder cannot provide the commissioner with prior notice of the changes in paragraph (a), the certification holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.

(c) When a certification holder notifies the commissioner of a change to the certification holder information on file with the secretary of state, the certification holder must provide documentation of the change.

(d) Upon implementation of the provider licensing and reporting hub, certification holders must enter and update information in the hub in a manner prescribed by the commissioner.

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

Sec. 35. Minnesota Statutes 2022, section 245H.05, is amended to read:

245H.05 MONITORING AND INSPECTIONS.

(a) The commissioner must conduct an on-site inspection of a certified license-exempt child care center at least ~~annually~~ once each calendar year to determine compliance with the health, safety, and fire standards specific to a certified license-exempt child care center.

(b) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports for all certified centers including the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in certified centers each year.

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

Sec. 36. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

Subd. 4. **Maximum group size.** (a) For a child six weeks old through 16 months old, the maximum group size shall be no more than eight children.

(b) For a child 16 months old through 33 months old, the maximum group size shall be no more than 14 children.

(c) For a child 33 months old through prekindergarten, a maximum group size shall be no more than 20 children.

(d) For a child in kindergarten through 13 years old, a maximum group size shall be no more than 30 children.

(e) The maximum group size applies at all times except during group activity coordination time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and special activity including a film, guest speaker, indoor large muscle activity, or holiday program.

(f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or

(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

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

Sec. 37. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

six weeks old through 16 months old	1:4
16 months old through 33 months old	1:7
33 months old through prekindergarten	1:10
kindergarten through 13 years old	1:15

(b) Kindergarten includes a child of sufficient age to have attended the first day of kindergarten or who is eligible to enter kindergarten within the next four months.

(c) For mixed groups, the ratio for the age group of the youngest child applies.

(d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or

(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

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

Sec. 38. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer medicine must meet the requirements in this subdivision.

(b) The certified center must obtain written permission from the child's parent or legal guardian before administering prescription medicine, nonprescription medicine, diapering product, sunscreen lotion, and insect repellent.

(c) The certified center must administer nonprescription medicine, diapering product, sunscreen lotion, and insect repellent according to the manufacturer's instructions unless provided written instructions by a licensed health professional to use a product differently.

(d) The certified center must obtain and follow written instructions from the prescribing health professional before administering prescription medicine. Medicine with the child's first and last name and current prescription information on the label is considered written instructions.

(e) The certified center must ensure all prescription and nonprescription medicine is:

(1) kept in the medicine's original container with a legible label stating the child's first and last name;

(2) given only to the child whose name is on the label;

(3) not given after an expiration date on the label; and

(4) returned to the child's parent or legal guardian or destroyed, if unused.

(f) The certified center must document in the child's record the administration of prescription and nonprescription medication, including the child's first and last name; the name of the medication or prescription number; the date, time, and dosage; and the name and signature of the person who administered the medicine. This documentation must be available to the child's parent or legal guardian.

(g) The certified center must store prescription and nonprescription medicines, insect repellents, and diapering products according to directions on the original container.

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

Sec. 39. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

Subd. 7. **Risk reduction plan.** (a) The certified center must develop a risk reduction plan that identifies risks to children served by the child care center. The assessment of risk must include risks presented by (1) the physical plant where the certified services are provided, including electrical hazards; and (2) the environment, including the proximity to busy roads and bodies of water.

(b) The certification holder must establish policies and procedures to minimize identified risks. After any change to the risk reduction plan, the certification holder must inform staff of the change in the risk reduction plan and document that staff were informed of the change.

(c) If middle-school-age children are enrolled in the center and combined with elementary children, the certification holder must establish policies and procedures to ensure adequate supervision as defined in subdivision 10 when children are grouped together.

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

Sec. 40. **DIRECTION TO COMMISSIONER; AMENDING THE DEFINITION OF EDUCATION.**

(a) The commissioner of human services must amend Minnesota Rules, part 9503.0030, subpart 1, item B, to include accredited course work from an accredited postsecondary institution that can be shown to be relevant to the primary skills necessary to meet the qualifications of a teacher.

(b) For purposes of this section, the commissioner may use the good cause exemption process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply.

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

Sec. 41. **DIRECTION TO COMMISSIONER; AMENDING STAFF QUALIFICATION RULES FOR CHILD CARE CENTERS.**

(a) The commissioner of human services must amend Minnesota Rules, part 9503.0033, to allow a child care center to hire an individual as an assistant teacher if the individual is at least 18 years old, has been employed in a direct child-serving role at the center for a minimum of 30 days, is enrolled in a child development associate credential program at the time of hire or will be within 60 days of being hired, and completes the child development associate credential from the Council for Professional Recognition within one year of the individual's hiring date.

(b) For purposes of this section, the commissioner may use the good cause exemption process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply.

ARTICLE 5
ECONOMIC ASSISTANCE

Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 3, is amended to read:

Subd. 3. **Application.** "Application" means the submission to a county agency, by or on behalf of a family, of a completed, signed, and dated:

(1) child care assistance universal application form; or

(2) child care addendum form in combination with a combined application form for MFIP, ~~DWP~~, or Supplemental Nutrition Assistance Program (SNAP) benefits.

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

Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 15, is amended to read:

Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01, subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public assistance cash benefits, including the Minnesota family investment program, ~~diversionary work program~~, work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance, at-home infant child care subsidy payments, and child support and maintenance distributed to the family under section 256.741, subdivision 2a.

The following are deducted from income: funds used to pay for health insurance premiums for family members, and child or spousal support paid to or on behalf of a person or persons who live outside of the household. Income sources not included in this subdivision and section 256P.06, subdivision 3, are not counted as income.

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

Sec. 3. Minnesota Statutes 2022, section 119B.02, subdivision 4, is amended to read:

Subd. 4. **Universal application form.** The commissioner must develop and make available to all counties a universal application form for child care assistance under this chapter. The commissioner may develop and make available to all counties a child care addendum form to be used to supplement the combined application form for MFIP, ~~DWP~~, or Supplemental Nutrition Assistance Program (SNAP) benefits or to supplement other statewide application forms for public assistance programs for families applying for one of these programs in addition to child care assistance. The application must provide notice of eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

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

Sec. 4. Minnesota Statutes 2022, section 119B.025, subdivision 4, is amended to read:

Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility factors according to paragraphs (b) to (g).

(b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

(c) If a family reports a change or a change is known to the agency before the family's regularly scheduled redetermination, the county must act on the change. The commissioner shall establish standards for verifying a change.

(d) A change in income occurs on the day the participant received the first payment reflecting the change in income.

(e) During a family's 12-month eligibility period, if the family's income increases and remains at or below 85 percent of the state median income, adjusted for family size, there is no change to the family's eligibility. The county shall not request verification of the change. The co-payment fee shall not increase during the remaining portion of the family's 12-month eligibility period.

(f) During a family's 12-month eligibility period, if the family's income increases and exceeds 85 percent of the state median income, adjusted for family size, the family is not eligible for child care assistance. The family must be given 15 calendar days to provide verification of the change. If the required verification is not returned or confirms ineligibility, the family's eligibility ends following a subsequent 15-day adverse action notice.

(g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170, subpart 1, if an applicant or participant reports that employment ended, the agency may accept a signed statement from the applicant or participant as verification that employment ended.

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

Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 3, is amended to read:

Subd. 3. **Eligible participants.** Families that meet the eligibility requirements under sections 119B.09 and 119B.10, except MFIP participants, ~~diversionary work program~~, and transition year families are eligible for child care assistance under the basic sliding fee program. Families enrolled in the basic sliding fee program shall be continued until they are no longer eligible. Child care assistance provided through the child care fund is considered assistance to the parent.

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

Sec. 6. Minnesota Statutes 2022, section 119B.03, subdivision 4, is amended to read:

Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to parents who have completed their MFIP or DWP transition year, ~~or parents who are no longer receiving or eligible for diversionary work program supports.~~

(c) Third priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(d) Fourth priority must be given to families in which at least one parent is a veteran as defined under section 197.447.

(e) Families under paragraph (b) must be added to the basic sliding fee waiting list on the date they begin the transition year under section 119B.011, subdivision 20, and must be moved into the basic sliding fee program as soon as possible after they complete their transition year.

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

Sec. 7. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

Subd. 4a. **Temporary reprioritization.** (a) Notwithstanding subdivision 4, priority for child care assistance under the basic sliding fee assistance program shall be determined according to this subdivision beginning July 1, 2021, through May 31, 2024.

(b) First priority must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(c) Second priority must be given to families in which at least one parent is a veteran, as defined under section 197.447.

(d) Third priority must be given to eligible families who do not meet the specifications of paragraph (b), (c), (e), or (f).

(e) Fourth priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(f) Fifth priority must be given to eligible families receiving services under section 119B.011, subdivision 20a, if the parents have completed their MFIP ~~or DWP~~ transition year, ~~or if the parents are no longer receiving or eligible for DWP supports.~~

(g) Families under paragraph (f) must be added to the basic sliding fee waiting list on the date they complete their transition year under section 119B.011, subdivision 20.

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

Sec. 8. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

Subdivision 1. **Eligible participants.** Families eligible for child care assistance under the MFIP child care program are:

- (1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;
- (2) persons who are members of transition year families under section 119B.011, subdivision 20, and meet the requirements of section 119B.10;
- ~~(3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under section 256J.95;~~
- (4) ~~(3)~~ MFIP families who are participating in work job search, job support, employment, or training activities as required in their employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;
- ~~(5) (4)~~ MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;
- ~~(6) (5)~~ families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;
- ~~(7) (6)~~ families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2;
- ~~(8) (7)~~ families who are participating in the transition year extension under section 119B.011, subdivision 20a;
- ~~(9) (8)~~ student parents as defined under section 119B.011, subdivision 19b; and
- ~~(10) (9)~~ student parents who turn 21 years of age and who continue to meet the other requirements under section 119B.011, subdivision 19b. A student parent continues to be eligible until the student parent is approved for basic sliding fee child care assistance or until the student parent's redetermination, whichever comes first. At the student parent's redetermination, if the student parent was not approved for basic sliding fee child care assistance, a student parent's eligibility ends following a 15-day adverse action notice.

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

Sec. 9. Minnesota Statutes 2022, section 119B.09, subdivision 7, is amended to read:

Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care assistance under this chapter is the later of the date the application was received by the county; the beginning date of employment, education, or training; the date the infant is born for applicants to the at-home infant care program; or the date a determination has been made that the applicant is a participant in employment and training services under Minnesota Rules, part 3400.0080, or chapter 256J.

(b) Payment ceases for a family under the at-home infant child care program when a family has used a total of 12 months of assistance as specified under section 119B.035. Payment of child care assistance for employed persons on MFIP is effective the date of employment or the date of MFIP eligibility, whichever is later. Payment of child care assistance for MFIP ~~or DWP~~ participants in employment and training services is effective the date of commencement of the services or the date of MFIP ~~or DWP~~ eligibility, whichever is later. Payment of child care assistance for transition year child care must be made retroactive to the date of eligibility for transition year child care.

(c) Notwithstanding paragraph (b), payment of child care assistance for participants eligible under section 119B.05 may only be made retroactive for a maximum of three months from the date of application for child care assistance.

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

Sec. 10. Minnesota Statutes 2022, section 119B.095, subdivision 2, is amended to read:

Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota Rules, chapter 3400, the amount of child care authorized under section 119B.10 for employment, education, or an MFIP ~~or DWP~~ employment plan shall continue at the same number of hours or more hours until redetermination, including:

(1) when the other parent moves in and is employed or has an education plan under section 119B.10, subdivision 3, or has an MFIP ~~or DWP~~ employment plan; or

(2) when the participant's work hours are reduced or a participant temporarily stops working or attending an approved education program. Temporary changes include, but are not limited to, a medical leave, seasonal employment fluctuations, or a school break between semesters.

(b) The county may increase the amount of child care authorized at any time if the participant verifies the need for increased hours for authorized activities.

(c) The county may reduce the amount of child care authorized if a parent requests a reduction or because of a change in:

(1) the child's school schedule;

(2) the custody schedule; or

(3) the provider's availability.

(d) The amount of child care authorized for a family subject to subdivision 1, paragraph (b), must change when the participant's activity schedule changes. Paragraph (a) does not apply to a family subject to subdivision 1, paragraph (b).

(e) When a child reaches 13 years of age or a child with a disability reaches 15 years of age, the amount of child care authorized shall continue at the same number of hours or more hours until redetermination.

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

Sec. 11. Minnesota Statutes 2022, section 119B.095, subdivision 3, is amended to read:

Subd. 3. **Assistance for persons who are homeless.** An applicant who is homeless and eligible for child care assistance is exempt from the activity participation requirements under this chapter for three months. The applicant under this subdivision is eligible for 60 hours of child care assistance per service period for three months from the date the county receives the application. Additional hours may be authorized as needed based on the applicant's participation in employment, education, or MFIP ~~or DWP~~ employment plan. To continue receiving child care assistance after the initial three months, the applicant must verify that the applicant meets eligibility and activity requirements for child care assistance under this chapter.

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

Sec. 12. Minnesota Statutes 2022, section 119B.10, subdivision 1, is amended to read:

Subdivision 1. **Assistance for persons seeking and retaining employment.** (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive up to 240 hours of child care assistance per calendar year.

(b) At application and redetermination, employed persons who work at least an average of 20 hours and full-time students who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for child care assistance for employment. For purposes of this section, work-study programs must be counted as employment. An employed person with an MFIP ~~or DWP~~ employment plan shall receive child care assistance as specified in the person's employment plan. Child care assistance during employment must be authorized as provided in paragraphs (c) and (d).

(c) When the person works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the hours of employment, break, and mealtime during the employment and travel time up to two hours per day.

(d) When the person does not work for an hourly wage, child care assistance must be provided for the lesser of:

(1) the amount of child care determined by dividing gross earned income by the applicable minimum wage, up to one hour every eight hours for meals and break time, plus up to two hours per day for travel time; or

(2) the amount of child care equal to the actual amount of child care used during employment, including break and mealtime during employment, and travel time up to two hours per day.

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

Sec. 13. Minnesota Statutes 2022, section 119B.10, subdivision 3, is amended to read:

Subd. 3. **Assistance for persons attending an approved education or training program.** (a) Money for an eligible person according to sections 119B.03, subdivision 3, and 119B.05, subdivision 1, shall be used to reduce child care costs for a student. The county shall not limit the duration of child care subsidies for a person in an employment or educational program unless the person is ineligible for child care funds. Any other limitation must be based on county policies included in the approved child care fund plan.

(b) To be eligible, the student must be in good standing and be making satisfactory progress toward the degree. The maximum length of time a student is eligible for child care assistance under the child care fund for education and training is no more than the time necessary to complete the credit requirements for an associate's or baccalaureate degree as determined by the educational institution. Time limitations for child care assistance do not

apply to basic or remedial educational programs needed for postsecondary education or employment. Basic or remedial educational programs include high school, commissioner of education-selected high school equivalency, and English as a second language programs. A program exempt from this time limit must not run concurrently with a postsecondary program.

(c) If a student meets the conditions of paragraphs (a) and (b), child care assistance must be authorized for all hours of class time and credit hours, including independent study and internships, and up to two hours of travel time per day. A postsecondary student shall receive four hours of child care assistance per credit hour for study time and academic appointments per service period.

(d) For an MFIP ~~or DWP~~ participant, child care assistance must be authorized according to the person's approved employment plan. If an MFIP ~~or DWP~~ participant receiving MFIP ~~or DWP~~ child care assistance under this chapter moves to another county, continues to participate in an authorized educational or training program, and remains eligible for MFIP ~~or DWP~~ child care assistance, the participant must receive continued child care assistance from the county responsible for the person's current employment plan under section 256G.07.

(e) If a person with an approved education program under section 119B.03, subdivision 3, or 119B.05, subdivision 1, begins receiving MFIP ~~or DWP~~ assistance, the person continues to receive child care assistance for the approved education program until the person's education is included in an approved MFIP ~~or DWP~~ employment plan or until redetermination, whichever occurs first.

(f) If a person's MFIP ~~or DWP~~ assistance ends and the approved MFIP ~~or DWP~~ employment plan included education, the person continues to be eligible for child care assistance for education under transition year child care assistance until the person's education is included in an approved education plan or until redetermination.

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

Sec. 14. Minnesota Statutes 2022, section 119B.105, subdivision 2, is amended to read:

Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three months of extended eligibility and redetermination is not due, to continue receiving child care assistance the participant must be employed or have an education plan that meets the requirements of section 119B.10, subdivision 3, or have an MFIP ~~or DWP~~ employment plan. If child care assistance continues, the amount of child care authorized shall continue at the same number or more hours until redetermination, unless a condition in section 119B.095, subdivision 2, paragraph (c), applies. A family subject to section 119B.095, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.

(b) If the family's redetermination occurs before the end of the three-month extended eligibility period to continue receiving child care assistance, the participant must verify that the participant meets eligibility and activity requirements for child care assistance under this chapter. If child care assistance continues, the amount of child care authorized is based on section 119B.10. A family subject to section 119B.095, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.

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

Sec. 15. Minnesota Statutes 2022, section 168B.07, subdivision 3, is amended to read:

Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

(1) "contents" does not include any permanently affixed mechanical or nonmechanical automobile parts; automobile body parts; or automobile accessories, including audio or video players; and

(2) "relief based on need" includes, but is not limited to, receipt of MFIP ~~and Diversionary Work Program~~, medical assistance, general assistance, emergency general assistance, Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance Program (SNAP) benefits, earned income tax credit, or Minnesota working family tax credit.

(b) A unit of government or impound lot operator shall establish reasonable procedures for retrieval of vehicle contents, and may establish reasonable procedures to protect the safety and security of the impound lot and its personnel.

(c) At any time before the expiration of the waiting periods provided in section 168B.051, a registered owner who provides documentation from a government or nonprofit agency or legal aid office that the registered owner is homeless, receives relief based on need, or is eligible for legal aid services, has the unencumbered right to retrieve any and all contents without charge and regardless of whether the registered owner pays incurred charges or fees, transfers title, or reclaims the vehicle.

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

Sec. 16. Minnesota Statutes 2022, section 256.046, subdivision 1, is amended to read:

Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud disqualification hearing for individuals accused of wrongfully obtaining assistance or intentional program violations, in lieu of a criminal action when it has not been pursued, in the Minnesota family investment program and any affiliated program to include ~~the diversionary work program and~~ the work participation cash benefit program, child care assistance programs, general assistance, family general assistance program formerly codified in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid, the Supplemental Nutrition Assistance Program (SNAP), MinnesotaCare for adults without children, and upon federal approval, all categories of medical assistance and remaining categories of MinnesotaCare except for children through age 18. The Department of Human Services, in lieu of a local agency, may initiate an administrative fraud disqualification hearing when the state agency is directly responsible for administration or investigation of the program for which benefits were wrongfully obtained. The hearing is subject to the requirements of sections 256.045 and 256.0451 and the requirements in Code of Federal Regulations, title 7, section 273.16.

EFFECTIVE DATE. This section is effective March 1, 2024, and applies to acts of wrongfully obtaining assistance and intentional program violations that occur on or after that date.

Sec. 17. Minnesota Statutes 2022, section 256.98, subdivision 8, is amended to read:

Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of wrongfully obtaining assistance by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, in the Minnesota family investment program and any affiliated program to include ~~the diversionary work program and~~ the work participation cash benefit program, the Supplemental Nutrition Assistance Program (SNAP), the general assistance program, housing support under chapter 256I, or the Minnesota supplemental aid program shall be disqualified from that program. In addition, any person disqualified from the Minnesota family investment program shall also be disqualified from SNAP. The needs of that individual shall not be taken into consideration in determining the grant level for that assistance unit:

- (1) for one year after the first offense;
- (2) for two years after the second offense; and
- (3) permanently after the third or subsequent offense.

The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved. A disqualification established through hearing or waiver shall result in the disqualification period beginning immediately unless the person has become otherwise ineligible for assistance. If the person is ineligible for assistance, the disqualification period begins when the person again meets the eligibility criteria of the program from which they were disqualified and makes application for that program.

(b) A family receiving assistance through child care assistance programs under chapter 119B with a family member who is found to be guilty of wrongfully obtaining child care assistance by a federal court, state court, or an administrative hearing determination or waiver, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions, is disqualified from child care assistance programs. The disqualifications must be for periods of one year and two years for the first and second offenses, respectively. Subsequent violations must result in permanent disqualification. During the disqualification period, disqualification from any child care program must extend to all child care programs and must be immediately applied.

(c) A provider caring for children receiving assistance through child care assistance programs under chapter 119B is disqualified from receiving payment for child care services from the child care assistance program under chapter 119B when the provider is found to have wrongfully obtained child care assistance by a federal court, state court, or an administrative hearing determination or waiver under section 256.046, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions. The disqualification must be for a period of three years for the first offense. Any subsequent violation must result in permanent disqualification. The disqualification period must be imposed immediately after a determination is made under this paragraph. During the disqualification period, the provider is disqualified from receiving payment from any child care program under chapter 119B.

(d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults without children and upon federal approval, all categories of medical assistance and remaining categories of MinnesotaCare, except for children through age 18, by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, is disqualified from that program. The period of disqualification is one year after the first offense, two years after the second offense, and permanently after the third or subsequent offense. The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved.

EFFECTIVE DATE. This section is effective March 1, 2024, and applies to acts of wrongfully obtaining assistance that occur on or after that date.

Sec. 18. Minnesota Statutes 2022, section 256.987, subdivision 4, is amended to read:

Subd. 4. **Disqualification.** (a) Any person found to be guilty of purchasing tobacco products or alcoholic beverages with their EBT debit card by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, in the: (1) Minnesota family investment program and any affiliated program to include ~~the diversionary work program and~~ the work participation cash benefit program under chapter 256J; (2) general assistance program under chapter 256D; or (3) Minnesota supplemental aid program under chapter 256D, shall be disqualified from all of the listed programs.

(b) The needs of the disqualified individual shall not be taken into consideration in determining the grant level for that assistance unit: (1) for one year after the first offense; (2) for two years after the second offense; and (3) permanently after the third or subsequent offense.

(c) The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility for postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review.

EFFECTIVE DATE. This section is effective March 1, 2024, and applies to purchases made on or after that date.

Sec. 19. Minnesota Statutes 2022, section 256D.03, is amended by adding a subdivision to read:

Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility and calculate benefit amounts for general assistance according to chapter 256P.

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

Sec. 20. Minnesota Statutes 2022, section 256D.63, subdivision 2, is amended to read:

Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP benefit recipient households required to report periodically shall not be required to report more often than one time every six months. ~~This provision shall not apply to households receiving food benefits under the Minnesota family investment program waiver.~~

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

Sec. 21. Minnesota Statutes 2022, section 256E.34, subdivision 4, is amended to read:

Subd. 4. **Use of money.** At least 96 percent of the money distributed to Hunger Solutions under this section must be distributed to food shelf programs to purchase, transport, and coordinate the distribution of nutritious food to needy individuals and families. The money distributed to food shelf programs may also be used to purchase personal hygiene products, including but not limited to diapers and toilet paper. No more than four percent of the money may be expended for other expenses, such as rent, salaries, and other administrative expenses of Hunger Solutions.

Sec. 22. **[256E.341] AMERICAN INDIAN FOOD SOVEREIGNTY FUNDING PROGRAM.**

Subdivision 1. **Establishment.** The American Indian food sovereignty funding program is established to improve access and equity to food security programs within Tribal and American Indian communities. The program shall assist Tribal Nations and American Indian communities in achieving self-determination and improve collaboration and partnership building between American Indian communities and the state. The commissioner of human services shall administer the program and provide outreach, technical assistance, and program development support to increase food security for American Indians.

Subd. 2. **Distribution of funding.** (a) The commissioner shall provide funding to support food system changes and provide equitable access to existing and new methods of food support for American Indian communities. The commissioner shall determine the timing and form of the application for the program.

(b) Eligible recipients of funding under this section include:

(1) federally recognized American Indian Tribes or bands in Minnesota as defined in section 10.65; or

(2) nonprofit organizations or fiscal sponsors with a majority American Indian board of directors.

(c) Funding for American Indian Tribes or bands must be allocated by a formula determined by the commissioner. Funding for nonprofit organizations or fiscal sponsors must be awarded through a competitive grant process.

Subd. 3. **Allowable uses of money.** Recipients shall use money provided under this section to promote food security for American Indian communities by:

(1) planning for sustainable food systems;

(2) implementing food security programs, including but not limited to technology to facilitate no-contact or low-contact food distribution and outreach models;

(3) providing culturally relevant training for building food access;

(4) purchasing, producing, processing, transporting, storing, and coordinating the distribution of food, including culturally relevant food; and

(5) purchasing seeds, plants, equipment, or materials to preserve, procure, or grow food.

Subd. 4. **Reporting.** (a) Recipients shall report on the use of American Indian food sovereignty funding program money under this section to the commissioner.

(b) The commissioner shall determine the timing and form required for the reports.

Sec. 23. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative is established to provide incentives for low-income families to accrue assets for education, housing, vehicles, emergencies, and economic development purposes.

Sec. 24. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.

(c) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

(d) "Fiduciary organization" means:

- (1) a community action agency that has obtained recognition under section 256E.31;
- (2) a federal community development credit union ~~servicing the seven county metropolitan area; or~~
- (3) a women-oriented economic development agency ~~servicing the seven county metropolitan area;~~
- (4) a federally recognized Tribal Nation; or
- (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code.

(e) "Financial coach" means a person who:

(1) has completed an intensive financial literacy training workshop that includes curriculum on budgeting to increase savings, debt reduction and asset building, building a good credit rating, and consumer protection;

(2) participates in ongoing statewide family assets for independence in Minnesota (FAIM) network training meetings under FAIM program supervision; and

(3) provides financial coaching to program participants under subdivision 4a.

(f) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(g) "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(h) "Permissible use" means:

(1) postsecondary educational expenses at an eligible educational institution as defined in paragraph (b), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization;

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986; ~~and~~

(5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

(6) contributions to an emergency savings account; and

(7) contributions to a Minnesota 529 savings plan.

Sec. 25. Minnesota Statutes 2022, section 256E.35, subdivision 3, is amended to read:

Subd. 3. **Grants awarded.** The commissioner shall allocate funds to participating fiduciary organizations to provide family asset services. Grant awards must be based on a plan submitted by a statewide organization representing fiduciary organizations. The statewide organization must ensure that any interested unrepresented

fiduciary organization have input into the development of the plan. The plan must equitably distribute funds to achieve geographic balance and document the capacity of participating fiduciary organizations to manage the program. A portion of funds appropriated for this section may be expended on evaluation of the Minnesota family assets for independence initiative.

Sec. 26. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program participants:

(1) financial education relating to budgeting, debt reduction, asset-specific training, credit building, and financial stability activities;

(2) asset-specific training related to buying a home or vehicle, acquiring postsecondary education, ~~or~~ starting or expanding a small business, saving for emergencies, or saving for a child's education; and

(3) financial stability education and training to improve and sustain financial security.

Sec. 27. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a participating household must transfer funds withdrawn from a family asset account to its matching fund custodial account held by the fiscal agent, according to the family asset agreement. The fiscal agent must determine if the match request is for a permissible use consistent with the household's family asset agreement.

(b) The fiscal agent must ensure the household's custodial account contains the applicable matching funds to match the balance in the household's account, including interest, on at least a quarterly basis and at the time of an approved withdrawal. Matches must be a contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from the family asset account not to exceed a ~~\$6,000~~ \$12,000 lifetime limit.

(c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for Independence Act of 1998, and a participating fiduciary organization is awarded a grant under that act, participating households with that fiduciary organization must be provided matches as follows:

(1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit; and

(2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit.

(d) Upon receipt of transferred custodial account funds, the fiscal agent must make a direct payment to the vendor of the goods or services for the permissible use.

Sec. 28. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization participating in a family assets for independence initiative must report quarterly to the commissioner of human services identifying the participants with accounts; the number of accounts; the amount of savings and matches for each participant's account; the uses of the account; ~~and~~ the number of businesses, homes, vehicles, and educational services paid for with money from the account; and the amount of contributions to Minnesota 529 savings plans and emergency savings accounts, as well as other information that may be required for the commissioner to administer the program and meet federal TANF reporting requirements.

Sec. 29. Minnesota Statutes 2022, section 256I.03, subdivision 13, is amended to read:

Subd. 13. **Prospective budgeting.** "Prospective budgeting" ~~means estimating the amount of monthly income a person will have in the payment month~~ has the meaning given in section 256P.01, subdivision 9.

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

Sec. 30. Minnesota Statutes 2022, section 256I.06, subdivision 6, is amended to read:

Subd. 6. **Reports.** Recipients must report changes in circumstances according to section 256P.07 ~~that affect eligibility or housing support payment amounts, other than changes in earned income, within ten days of the change. Recipients with countable earned income must complete a household report form at least once every six months according to section 256P.10. If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for housing support payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for housing support payment effective the first day of the month the eligibility was terminated.~~

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

Sec. 31. Minnesota Statutes 2022, section 256I.06, is amended by adding a subdivision to read:

Subd. 6a. **When to terminate assistance.** An agency must terminate benefits when the assistance unit fails to submit the household report form before the end of the month in which it is due. The termination shall be effective on the first day of the month following the month in which the report was due. If the assistance unit submits the household report form within 30 days of the termination of benefits and remains eligible, benefits must be reinstated and made available retroactively for the full benefit month.

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

Sec. 32. Minnesota Statutes 2022, section 256I.06, subdivision 8, is amended to read:

Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board payment to be made on behalf of an eligible individual is determined by subtracting the individual's countable income under section 256I.04, subdivision 1, for a whole calendar month from the room and board rate for that same month. The housing support payment is determined by multiplying the housing support rate times the period of time the individual was a resident or temporarily absent under section 256I.05, subdivision 2a.

(b) For an individual with earned income under paragraph (a), prospective budgeting according to section 256P.09 ~~must be used to determine the amount of the individual's payment for the following six-month period. An increase in income shall not affect an individual's eligibility or payment amount until the month following the reporting month. A decrease in income shall be effective the first day of the month after the month in which the decrease is reported.~~

(c) For an individual who receives housing support payments under section 256I.04, subdivision 1, paragraph (c), the amount of the housing support payment is determined by multiplying the housing support rate times the period of time the individual was a resident.

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

Sec. 33. Minnesota Statutes 2022, section 256J.01, subdivision 1, is amended to read:

Subdivision 1. **Implementation of Minnesota family investment program (MFIP).** ~~Except for section 256J.95,~~ This chapter and chapter 256K may be cited as the Minnesota family investment program (MFIP). MFIP is the statewide implementation of components of the Minnesota family investment plan (MFIP) authorized and formerly codified in section 256.031 and Minnesota family investment plan-Ramsey County (MFIP-R) formerly codified in section 256.047.

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

Sec. 34. Minnesota Statutes 2022, section 256J.02, subdivision 2, is amended to read:

Subd. 2. **Use of money.** State money appropriated for purposes of this section and TANF block grant money must be used for:

- (1) financial assistance to or on behalf of any minor child who is a resident of this state under section 256J.12;
- (2) the health care and human services training and retention program under chapter 116L, for costs associated with families with children with incomes below 200 percent of the federal poverty guidelines;
- (3) the pathways program under section 116L.04, subdivision 1a;
- (4) welfare to work transportation authorized under Public Law 105-178;
- (5) reimbursements for the federal share of child support collections passed through to the custodial parent;
- (6) program administration under this chapter;
- ~~(7) the diversionary work program under section 256J.95;~~
- ~~(8) (7) the MFIP consolidated fund under section 256J.626; and~~
- ~~(9) (8) the Minnesota Department of Health consolidated fund under Laws 2001, First Special Session chapter 9, article 17, section 3, subdivision 2.~~

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

Sec. 35. Minnesota Statutes 2022, section 256J.08, subdivision 65, is amended to read:

Subd. 65. **Participant.** (a) "Participant" includes any of the following:

- (1) a person who is currently receiving cash assistance or the food portion available through MFIP;
- (2) a person who withdraws a cash or food assistance payment by electronic transfer or receives and cashes an MFIP assistance check or food coupons and is subsequently determined to be ineligible for assistance for that period of time is a participant, regardless whether that assistance is repaid;
- (3) the caregiver relative and the minor child whose needs are included in the assistance payment;
- (4) a person in an assistance unit who does not receive a cash and food assistance payment because the case has been suspended from MFIP; and
- ~~(5) a person who receives cash payments under the diversionary work program under section 256J.95 is a participant; and~~

~~(6)~~ (5) a person who receives cash payments under family stabilization services under section 256J.575.

(b) "Participant" does not include a person who fails to withdraw or access electronically any portion of the person's cash and food assistance payment by the end of the payment month, who makes a written request for closure before the first of a payment month and repays cash and food assistance electronically issued for that payment month within that payment month, or who returns any uncashed assistance check and food coupons and withdraws from the program.

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

Sec. 36. Minnesota Statutes 2022, section 256J.08, subdivision 71, is amended to read:

Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of determining the amount of the assistance payment in which the budget month and payment month are the same~~ has the meaning given in section 256P.01, subdivision 9.

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

Sec. 37. Minnesota Statutes 2022, section 256J.08, subdivision 79, is amended to read:

Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

(1) received periodically, and may be received irregularly when receipt can be anticipated even though the date of receipt cannot be predicted; and

(2) from the same source or of the same type that is received and budgeted in a prospective month ~~and is received in one or both of the first two retrospective months.~~

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

Sec. 38. Minnesota Statutes 2022, section 256J.09, subdivision 10, is amended to read:

Subd. 10. **Ineligibility for MFIP ~~or the diversionary work program.~~** When an applicant is not eligible for MFIP ~~or the diversionary work program under section 256J.95~~ because the applicant does not meet eligibility requirements, the county agency must determine whether the applicant is eligible for SNAP, or health care programs. The county must also inform applicants about resources available through the county or other agencies to meet short-term emergency needs.

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

Sec. 39. Minnesota Statutes 2022, section 256J.11, subdivision 1, is amended to read:

Subdivision 1. **General citizenship requirements.** (a) To be eligible for MFIP, a member of the assistance unit must be a citizen of the United States, a qualified noncitizen as defined in section 256J.08, or a noncitizen who is otherwise residing lawfully in the United States.

(b) A qualified noncitizen who entered the United States on or after August 22, 1996, is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for an individual under this paragraph for a period of five years after the date of entry unless the qualified noncitizen meets one of the following criteria:

(1) was admitted to the United States as a refugee under United States Code, title 8, section 1157;

(2) was granted asylum under United States Code, title 8, section 1158;

(3) was granted withholding of deportation under the United States Code, title 8, section 1253(h);

(4) is a veteran of the United States armed forces with an honorable discharge for a reason other than noncitizen status, or is a spouse or unmarried minor dependent child of the same; or

(5) is an individual on active duty in the United States armed forces, other than for training, or is a spouse or unmarried minor dependent child of the same.

(c) A person who is not a qualified noncitizen but who is otherwise residing lawfully in the United States is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for an individual under this paragraph.

(d) For purposes of this subdivision, a nonimmigrant in one or more of the classes listed in United States Code, title 8, section 1101(a)(15) (A)-(S) and (V), or an undocumented immigrant who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services, is not eligible for MFIP.

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

Sec. 40. Minnesota Statutes 2022, section 256J.21, subdivision 3, is amended to read:

Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by considering all earned and unearned income as defined in section 256P.06. To be eligible for MFIP, the assistance unit's countable income minus the earned income disregards in paragraph (a) and section 256P.03 must be below the family wage level according to section 256J.24, subdivision 7, for that size assistance unit.

~~(a)~~ (b) The initial eligibility determination must disregard the following items:

(1) the earned income disregard as determined in section 256P.03;

(2) dependent care costs must be deducted from gross earned income for the actual amount paid for dependent care up to a maximum of \$200 per month for each child less than two years of age, and \$175 per month for each child two years of age and older;

(3) all payments made according to a court order for spousal support or the support of children not living in the assistance unit's household shall be disregarded from the income of the person with the legal obligation to pay support; and

(4) an allocation for the unmet need of an ineligible spouse or an ineligible child under the age of 21 for whom the caregiver is financially responsible and who lives with the caregiver according to section 256J.36.

~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period. The assistance payment calculation is based on the monthly income test prospective budgeting according to section 256P.09.

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

Sec. 41. Minnesota Statutes 2022, section 256J.21, subdivision 4, is amended to read:

Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county agency shall determine ongoing eligibility and the assistance payment amount according to the monthly income test.~~ To be eligible for MFIP, the result of the computations in paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

(a) Apply an income disregard as defined in section 256P.03, to gross earnings and subtract this amount from the family wage level. If the difference is equal to or greater than the MFIP transitional standard, the assistance payment is equal to the MFIP transitional standard. If the difference is less than the MFIP transitional standard, the assistance payment is equal to the difference. The earned income disregard in this paragraph must be deducted every month there is earned income.

(b) All payments made according to a court order for spousal support or the support of children not living in the assistance unit's household must be disregarded from the income of the person with the legal obligation to pay support.

(c) An allocation for the unmet need of an ineligible spouse or an ineligible child under the age of 21 for whom the caregiver is financially responsible and who lives with the caregiver must be made according to section 256J.36.

(d) Subtract unearned income dollar for dollar from the MFIP transitional standard to determine the assistance payment amount.

(e) When income is both earned and unearned, the amount of the assistance payment must be determined by first treating gross earned income as specified in paragraph (a). After determining the amount of the assistance payment under paragraph (a), unearned income must be subtracted from that amount dollar for dollar to determine the assistance payment amount.

~~(f) When the monthly income is greater than the MFIP transitional standard after deductions and the income will only exceed the standard for one month, the county agency must suspend the assistance payment for the payment month.~~

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

Sec. 42. Minnesota Statutes 2022, section 256J.33, subdivision 1, is amended to read:

Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income and the county agency's best estimate of the circumstances that will exist in the payment month.

(b) ~~Except as described in section 256J.34, subdivision 1, when prospective eligibility exists,~~ A county agency must calculate the amount of the assistance payment using ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance payment amount, a county agency must apply countable income, described in sections 256P.06 and 256J.37, subdivisions 3 to ~~40~~ 9, received by members of an assistance unit or by other persons whose income is counted for the assistance unit, described under sections 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

(c) This income must be applied to the MFIP standard of need or family wage level subject to this section and sections 256J.34 to 256J.36. Countable income as described in section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs of an assistance unit.

(d) An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit.

EFFECTIVE DATE. This section is effective March 1, 2025, except that the amendment to paragraph (b) striking "10" and inserting "9" is effective July 1, 2024.

Sec. 43. Minnesota Statutes 2022, section 256J.33, subdivision 2, is amended to read:

Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15 and 256P.02, will be met prospectively for the payment ~~month period~~. ~~Except for the provisions in section 256J.34, subdivision 1, The income test will be applied retrospectively~~ prospectively.

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

Sec. 44. Minnesota Statutes 2022, section 256J.35, is amended to read:

256J.35 AMOUNT OF ASSISTANCE PAYMENT.

Except as provided in paragraphs (a) to ~~(d)~~ (e), the amount of an assistance payment is equal to the difference between the MFIP standard of need or the Minnesota family wage level in section 256J.24 and countable income.

(a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing assistance grant of \$110 per month, unless:

(1) the housing assistance unit is currently receiving public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) and is subject to section 256J.37, subdivision 3a; or

(2) the assistance unit is a child-only case under section 256J.88.

(b) On October 1 of each year, the commissioner shall adjust the MFIP housing assistance grant in paragraph (a) for inflation based on the CPI-U for the prior calendar year.

~~(b)~~ (c) When MFIP eligibility exists for the month of application, the amount of the assistance payment for the month of application must be prorated from the date of application or the date all other eligibility factors are met for that applicant, whichever is later. This provision applies when an applicant loses at least one day of MFIP eligibility.

~~(c)~~ (d) MFIP overpayments to an assistance unit must be recouped according to section 256P.08, subdivision 6.

~~(d)~~ (e) An initial assistance payment must not be made to an applicant who is not eligible on the date payment is made.

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

Sec. 45. Minnesota Statutes 2022, section 256J.37, subdivision 3, is amended to read:

Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency must include gross earned income less any disregards in the initial ~~and monthly~~ income test. Gross earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time.

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

Sec. 46. Minnesota Statutes 2022, section 256J.37, subdivision 3a, is amended to read:

Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency shall count \$50 of the value of public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) as unearned income to the cash portion of the MFIP grant. The full amount of the subsidy must be counted as unearned income when the subsidy is less than \$50. The income from this subsidy shall be budgeted according to section ~~256J.34~~ 256P.09.

(b) The provisions of this subdivision shall not apply to an MFIP assistance unit which includes a participant who is:

(1) age 60 or older;

(2) a caregiver who is suffering from an illness, injury, or incapacity that has been certified by a qualified professional when the illness, injury, or incapacity is expected to continue for more than 30 days and severely limits the person's ability to obtain or maintain suitable employment; or

(3) a caregiver whose presence in the home is required due to the illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household when the illness or incapacity and the need for the participant's presence in the home has been certified by a qualified professional and is expected to continue for more than 30 days.

(c) The provisions of this subdivision shall not apply to an MFIP assistance unit where the parental caregiver is an SSI participant.

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

Sec. 47. Minnesota Statutes 2022, section 256J.40, is amended to read:

256J.40 FAIR HEARINGS.

Caregivers receiving a notice of intent to sanction or a notice of adverse action that includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or termination of benefits may request a fair hearing. A request for a fair hearing must be submitted in writing to the county agency or to the commissioner and must be mailed within 30 days after a participant or former participant receives written notice of the agency's action or within 90 days when a participant or former participant shows good cause for not submitting the request within 30 days. A former participant who receives a notice of adverse action due to an overpayment may appeal the adverse action according to the requirements in this section. Issues that may be appealed are:

- (1) the amount of the assistance payment;
- (2) a suspension, reduction, denial, or termination of assistance;
- (3) the basis for an overpayment, the calculated amount of an overpayment, and the level of recoupment;
- (4) the eligibility for an assistance payment; and
- (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses (1) to (3).

~~Except for benefits issued under section 256J.95,~~ A county agency must not reduce, suspend, or terminate payment when an aggrieved participant requests a fair hearing prior to the effective date of the adverse action or within ten days of the mailing of the notice of adverse action, whichever is later, unless the participant requests in writing not to receive continued assistance pending a hearing decision. ~~An appeal request cannot extend benefits for the diversionary work program under section 256J.95 beyond the four-month time limit.~~ Assistance issued pending a fair hearing is subject to recovery under section 256P.08 when as a result of the fair hearing decision the participant is determined ineligible for assistance or the amount of the assistance received. A county agency may increase or reduce an assistance payment while an appeal is pending when the circumstances of the participant change and are not related to the issue on appeal. The commissioner's order is binding on a county agency. No additional notice is required to enforce the commissioner's order.

A county agency shall reimburse appellants for reasonable and necessary expenses of attendance at the hearing, such as child care and transportation costs and for the transportation expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings must be conducted at a reasonable time and date by an impartial human services judge employed by the department. The hearing may be conducted by telephone or at a site that is readily accessible to persons with disabilities.

The appellant may introduce new or additional evidence relevant to the issues on appeal. Recommendations of the human services judge and decisions of the commissioner must be based on evidence in the hearing record and are not limited to a review of the county agency action.

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

Sec. 48. Minnesota Statutes 2022, section 256J.42, subdivision 5, is amended to read:

Subd. 5. **Exemption for certain families.** (a) Any cash assistance received by an assistance unit does not count toward the 60-month limit on assistance during a month in which the caregiver is age 60 or older.

(b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of financial responsibility, any cash assistance received by a caregiver who is complying with Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes 1998, section 256.736, if applicable, does not count toward the 60-month limit on assistance. Thereafter, any cash assistance received by a minor caregiver who is complying with the requirements of sections 256J.14 and 256J.54, if applicable, does not count towards the 60-month limit on assistance.

(c) Any diversionary assistance or emergency assistance received prior to July 1, 2003, does not count toward the 60-month limit.

(d) Any cash assistance received by an 18- or 19-year-old caregiver who is complying with an employment plan that includes an education option under section 256J.54 does not count toward the 60-month limit.

(e) Payments provided to meet short-term emergency needs under section 256J.626 ~~and diversionary work program benefits provided under section 256J.95~~ do not count toward the 60-month time limit.

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

Sec. 49. Minnesota Statutes 2022, section 256J.425, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in an assistance unit subject to the time limit under section 256J.42, subdivision 1, ~~must be in compliance in the participant's 60th counted month. For purposes of determining eligibility for a hardship extension, a participant is in compliance in any month that the participant has not been sanctioned. In order to maintain eligibility for any of the hardship extension categories a participant shall~~ develop and comply with either an employment plan or a family stabilization services plan, whichever is appropriate.

(b) If one participant in a two-parent assistance unit is determined to be ineligible for a hardship extension, the county shall give the assistance unit the option of disqualifying the ineligible participant from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit.

~~(c) Prior to denying an extension, the county must review the sanction status and determine whether the sanction is appropriate or if good cause exists under section 256J.57. If the sanction was inappropriately applied or the participant is granted a good cause exception before the end of month 60, the participant shall be considered for an extension.~~

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 50. Minnesota Statutes 2022, section 256J.425, subdivision 4, is amended to read:

Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension if the participant who reached the time limit belongs to:

(1) a one-parent assistance unit in which the participant is participating in work activities for at least 30 hours per week, of which an average of at least 25 hours per week every month are spent participating in employment;

(2) a two-parent assistance unit in which the participants are participating in work activities for at least 55 hours per week, of which an average of at least 45 hours per week every month are spent participating in employment; or

(3) an assistance unit in which a participant is participating in employment for fewer hours than those specified in clause (1), and the participant submits verification from a qualified professional, in a form acceptable to the commissioner, stating that the number of hours the participant may work is limited due to illness or disability, as long as the participant is participating in employment for at least the number of hours specified by the qualified professional. The participant must be following the treatment recommendations of the qualified professional providing the verification. The commissioner shall develop a form to be completed and signed by the qualified professional, documenting the diagnosis and any additional information necessary to document the functional limitations of the participant that limit work hours. If the participant is part of a two-parent assistance unit, the other parent must be treated as a one-parent assistance unit for purposes of meeting the work requirements under this subdivision.

(b) For purposes of this section, employment means:

(1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

(2) subsidized employment under section 256J.49, subdivision 13, clause (2);

(3) on-the-job training under section 256J.49, subdivision 13, clause (2);

(4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

(5) supported work under section 256J.49, subdivision 13, clause (2);

(6) a combination of clauses (1) to (5); or

(7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination with paid employment.

(c) If a participant is complying with a child protection plan under chapter 260C, the number of hours required under the child protection plan count toward the number of hours required under this subdivision.

(d) The county shall provide the opportunity for subsidized employment to participants needing that type of employment within available appropriations.

~~(e) To be eligible for a hardship extension for employed participants under this subdivision, a participant must be in compliance for at least ten out of the 12 months the participant received MFIP immediately preceding the participant's 61st month on assistance. If ten or fewer months of eligibility for TANF assistance remain at the time the participant from another state applies for assistance, the participant must be in compliance every month.~~

~~(e)~~ (e) The employment plan developed under section 256J.521, subdivision 2, for participants under this subdivision must contain at least the minimum number of hours specified in paragraph (a) for the purpose of meeting the requirements for an extension under this subdivision. The job counselor and the participant must sign the employment plan to indicate agreement between the job counselor and the participant on the contents of the plan.

~~(f)~~ (f) Participants who fail to meet the requirements in paragraph (a), without eligibility for another hardship extension or good cause under section 256J.57, shall be ~~sanctioned subject to sanction or permanently disqualified under subdivision 6. Good cause may only be granted for that portion of the month for which the good cause reason applies case closure.~~ Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or ~~permanent disqualification case closure.~~

~~(g)~~ (g) If the noncompliance with an employment plan is due to the involuntary loss of employment, the participant is exempt from the hourly employment requirement under this subdivision for one month. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or ~~permanent disqualification case closure if ineligible for another hardship extension.~~

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 51. Minnesota Statutes 2022, section 256J.425, subdivision 5, is amended to read:

Subd. 5. **Accrual of certain exempt months.** (a) Participants who are not eligible for assistance under a hardship extension under this section shall be eligible for a hardship extension for a period of time equal to the number of months that were counted toward the 60-month time limit while the participant was a caregiver with a child or an adult in the household who meets the disability or medical criteria for home care services under section 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services program under chapter 256B, or meets the criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c), and who was subject to the requirements in section 256J.561, subdivision 2.

(b) A participant who received MFIP assistance that counted toward the 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42, subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42, subdivision 4 or 5.

(c) After the accrued months have been exhausted, the county agency must determine if the assistance unit is eligible for an extension under another extension category in subdivision 2, 3, or 4.

(d) At the time of the case review, a county agency must explain to the participant the basis for receiving a hardship extension based on the accrual of exempt months. The participant must provide documentation necessary to enable the county agency to determine whether the participant is eligible to receive a hardship extension based on the accrual of exempt months or authorize a county agency to verify the information.

~~(e) While receiving extended MFIP assistance under this subdivision, a participant is subject to the MFIP policies that apply to participants during the first 60 months of MFIP, unless the participant is a member of a two parent family in which one parent is extended under subdivision 3 or 4. For two parent families in which one parent is extended under subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.~~

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 52. Minnesota Statutes 2022, section 256J.425, subdivision 7, is amended to read:

Subd. 7. **Status of disqualified participants closed cases.** (a) An assistance unit that is ~~disqualified~~ has its case closed under subdivision 6, paragraph (a), section 256J.46 may be approved for MFIP if the participant complies with MFIP program requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

(b) An assistance unit that is ~~disqualified~~ has its case closed under ~~subdivision 6, paragraph (a), section 256J.46~~ and that reapplies under paragraph (a) is subject to sanction under section 256J.46, subdivision 1, paragraph (c); ~~clause (1), for a first occurrence of noncompliance. A subsequent occurrence of noncompliance results in a permanent disqualification.~~

(c) ~~If one participant in a two parent assistance unit receiving assistance under a hardship extension under subdivision 3 or 4 is determined to be out of compliance with the employment and training services requirements under sections 256J.521 to 256J.57, the county shall give the assistance unit the option of disqualifying the noncompliant participant from MFIP. In that case, the assistance unit shall be treated as a one parent assistance unit for the purposes of meeting the work requirements under subdivision 4. An applicant who is disqualified from receiving assistance under this paragraph may reapply under paragraph (a). If a participant is disqualified from MFIP under this subdivision a second time, the participant is permanently disqualified from MFIP.~~

~~(d)~~ (c) Prior to a disqualification case closure under this subdivision, a county agency must review the participant's case to determine if the employment plan is still appropriate and attempt to meet with the participant face-to-face. If a face-to-face meeting is not conducted, the county agency must send the participant a notice of adverse action as provided in section 256J.31. During the face-to-face meeting, the county agency must:

(1) determine whether the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (9);

(2) determine whether the participant qualifies for a good cause exception under section 256J.57;

(3) inform the participant of the family violence waiver criteria and make appropriate referrals if the waiver is requested;

(4) inform the participant of the participant's sanction status and explain the consequences of continuing noncompliance;

(5) identify other resources that may be available to the participant to meet the needs of the family; and

(6) inform the participant of the right to appeal under section 256J.40.

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 53. Minnesota Statutes 2022, section 256J.46, subdivision 1, is amended to read:

Subdivision 1. **Participants not complying with program requirements.** (a) A participant who fails without good cause under section 256J.57 to comply with the requirements ~~of this chapter for orientation under section 256J.45, or employment and training services under sections 256J.515 to 256J.57,~~ and who is not subject to a sanction under subdivision 2, shall be subject to a sanction or case closure as provided in this ~~subdivision~~ section. Good cause may only be granted for the month for which the good cause reason applies. Prior to the imposition of a sanction, a county agency shall provide a notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided in section 256J.31, subdivision 5.

(b) A sanction under this subdivision becomes effective the month following the month in which a required notice is given. A sanction must not be imposed when a participant comes into compliance ~~with the requirements for orientation under section 256J.45~~ prior to the effective date of the sanction. ~~A sanction must not be imposed when a participant comes into compliance with the requirements for employment and training services under sections 256J.515 to 256J.57 ten days prior to the effective date of the sanction.~~ For purposes of this subdivision, each month that a participant fails to comply with a requirement of this chapter shall be considered a separate occurrence of noncompliance. If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

(c) Sanctions for noncompliance ~~shall be imposed as follows:~~

~~(1) For the first occurrence of noncompliance by a participant in an assistance unit, the assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an assistance unit of the same size with the residual grant paid to the participant. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that the participant returns to compliance.~~

~~(2) for a the first, second, third, fourth, fifth, or sixth consecutive occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs shall be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, must be reduced by an amount are equal to ~~30~~ a reduction of five percent of the cash portion of the MFIP standard of need for an grant received by the assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that the participant in a one-parent assistance unit returns to compliance, unless the requirements in paragraph (h) are met. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and shall be removed in the month following the month both participants return to compliance, unless the requirements in paragraph (h) are met. The vendor payment of shelter costs and, if applicable, utilities shall be removed six months after the month in which the participant or participants return to compliance. When an assistance unit comes into compliance with the requirements in section 256.741, or shows good cause under section 256.741, subdivision 10, or 256J.57, the sanction occurrences for that assistance unit shall be equal to zero sanctions. If an assistance unit is sanctioned under this clause, the participant's case file must be reviewed to determine if the employment plan is still appropriate.~~

~~(d) For a seventh consecutive occurrence of noncompliance by a participant in an assistance unit, ~~or when the participants in a two parent assistance unit have a total of seven occurrences of noncompliance~~, the county agency shall close the MFIP assistance unit's financial assistance case, ~~both including~~ the cash and food portions, and redetermine the family's ~~continued~~ eligibility for Supplemental Nutrition Assistance Program (SNAP) payments. The MFIP case must remain closed for a minimum of one full month. Before the case is closed, the county agency must review the participant's case to determine if the employment plan is still appropriate and attempt to meet with the participant face-to-face. The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must send the participant a written notice that includes the information required under clause (1).~~

(1) During the face-to-face meeting, the county agency must:

(i) determine whether the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (9);

(ii) determine whether the participant qualifies for a good cause exception under section 256J.57, or if the sanction is for noncooperation with child support requirements, determine if the participant qualifies for a good cause exemption under section 256.741, subdivision 10;

(iii) determine whether the work activities in the employment plan are appropriate based on the criteria in section 256J.521, subdivision 2 or 3;

(iv) determine whether the participant qualifies for the family violence waiver;

(v) inform the participant of the participant's sanction status and explain the consequences of continuing noncompliance;

- (vi) identify other resources that may be available to the participant to meet the needs of the family; and
- (vii) inform the participant of the right to appeal under section 256J.40.

(2) If the lack of an identified activity or service can explain the noncompliance, the county must work with the participant to provide the identified activity.

(3) The grant must be restored to the full amount for which the assistance unit is eligible retroactively to the first day of the month in which the participant was found to lack preemployment activities or to qualify for a family violence waiver or for a good cause exemption under section 256.741, subdivision 10, or 256J.57.

(e) For the purpose of applying sanctions under this section, only consecutive occurrences of noncompliance that occur ~~after July 1, 2003~~ on or after May 1, 2026, shall be considered when counting the number of sanction occurrences under this subdivision. Active cases under sanction on May 1, 2026, shall be considered to have one sanction occurrence. If the participant is in 30 percent sanction in the month this section takes effect, that month counts as the first occurrence for purposes of applying the sanctions under this section, but the sanction shall remain at 30 percent for that month comes into compliance, the assistance unit is considered to have zero sanctions.

(f) An assistance unit whose case is closed under paragraph (d) or (g), may reapply for MFIP using a form prescribed by the commissioner and shall be eligible if the participant complies with MFIP program requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period. The county agency shall not start a new certification period for a participant who has submitted the reapplication form within 30 calendar days of case closure. The county agency must process the form according to section 256P.04, except that the county agency shall not require additional verification of information in the case file unless the information is inaccurate, questionable, or no longer current. When a participant does not reapply for MFIP within 30 calendar days of case closure, a new application must be completed.

(g) An assistance unit whose case has been closed for noncompliance, that reapplies under paragraph (f), is subject to sanction under paragraph (c), ~~clause (2), for a first occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result in~~ and case closure under paragraph (d).

(h) If an assistance unit is in compliance by the 15th of the month in which the assistance unit has a sanction imposed, the reduction to the assistance unit's cash grant shall be restored retroactively for the current month and the sanction occurrences shall be equal to zero.

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 54. Minnesota Statutes 2022, section 256J.46, subdivision 2, is amended to read:

Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The grant of an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, shall be subject to sanction as specified in this subdivision and subdivision 1. ~~For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation shall be subject to sanction under subdivision 1, paragraphs (c), clause (2), and (d), paragraphs (b) to (h), except the assistance unit's cash portion of the grant must be reduced by 25 percent of the MFIP cash received by the assistance unit.~~ The residual amount of the grant, if any, must be paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction must not be imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction shall be removed in the month following the month that the caregiver cooperates with the support requirements, unless the requirements in subdivision 1, paragraph (h), are met. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 must be considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 1, paragraphs (c), ~~clause (2),~~ and (d).

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 55. Minnesota Statutes 2022, section 256J.46, subdivision 2a, is amended to read:

Subd. 2a. **Dual sanctions.** (a) Notwithstanding the provisions of subdivisions 1 and 2, for a participant subject to a sanction for refusal to comply with child support requirements under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other program requirements under subdivision 1, sanctions shall be imposed in the manner prescribed in this subdivision.

~~Any vendor payment of shelter costs or utilities under this subdivision must remain in effect for six months after the month in which the participant is no longer subject to sanction under subdivision 1.~~

~~(b) If the participant was subject to sanction for:~~

~~(1) noncompliance under subdivision 1 before being subject to sanction for noncooperation under subdivision 2; or~~

~~(2) noncooperation under subdivision 2 before being subject to sanction for noncompliance under subdivision 1, the participant is considered to have a second occurrence of noncompliance and shall be sanctioned as provided in subdivision 1, paragraph (c), clause (2). Each subsequent occurrence of noncompliance shall be considered one additional occurrence and shall be subject to the applicable level of sanction under subdivision 1. The requirement that the county conduct a review as specified in subdivision 1, paragraph (d), remains in effect.~~

~~(e)~~ (b) A participant who first becomes subject to sanction under both subdivisions 1 and 2 in the same month is subject to sanction as follows:

(1) in the first month of noncompliance and noncooperation, the participant's cash portion of the grant must be reduced by ~~30~~ 25 percent of the ~~applicable MFIP standard of need~~ cash received by the assistance unit, with any residual amount paid to the participant;

(2) in the second and subsequent months of noncompliance and noncooperation, the participant shall be subject to the applicable level of sanction under subdivision ~~4~~ 2.

The requirement that the county conduct a review as specified in subdivision 1, paragraph (d), remains in effect.

~~(d)~~ (c) A participant remains subject to sanction under subdivision 2 if the participant:

(1) returns to compliance and is no longer subject to sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57; or

(2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57 removed upon completion of the review under subdivision 1, paragraph ~~(e)~~ (d).

A participant remains subject to the applicable level of sanction under subdivision 1 if the participant cooperates and is no longer subject to sanction under subdivision 2.

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 56. Minnesota Statutes 2022, section 256J.49, subdivision 9, is amended to read:

Subd. 9. **Participant.** "Participant" means a recipient of MFIP assistance who participates or is required to participate in employment and training services under sections 256J.515 to 256J.57 ~~and 256J.95.~~

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

Sec. 57. Minnesota Statutes 2022, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers.

(b) A county must provide employment and training services under sections 256J.515 to 256J.74 within 30 days after the caregiver is determined eligible for MFIP, ~~or within ten days when the caregiver participated in the diversionary work program under section 256J.95 within the past 12 months.~~

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

Sec. 58. Minnesota Statutes 2022, section 256J.521, subdivision 1, is amended to read:

Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services, assessment is a continuing process of gathering information related to employability for the purpose of identifying both participant's strengths and strategies for coping with issues that interfere with employment. The job counselor must use information from the assessment process to develop and update the employment plan under subdivision 2 or 3, as appropriate, to determine whether the participant qualifies for a family violence waiver including an employment plan under subdivision 3, and to determine whether the participant should be referred to family stabilization services under section 256J.575.

(b) The scope of assessment must cover at least the following areas:

(1) basic information about the participant's ability to obtain and retain employment, including: a review of the participant's education level; interests, skills, and abilities; prior employment or work experience; transferable work skills; child care and transportation needs;

(2) identification of personal and family circumstances that impact the participant's ability to obtain and retain employment, including: any special needs of the children, the level of English proficiency, family violence issues, and any involvement with social services or the legal system;

(3) the results of a mental and chemical health screening tool designed by the commissioner and results of the brief screening tool for special learning needs. Screening tools for mental and chemical health and special learning needs must be approved by the commissioner and may only be administered by job counselors or county staff trained in using such screening tools. Participants must be told of the purpose of the screens and how the information will be used to assist the participant in identifying and overcoming barriers to employment. Screening for mental and chemical health and special learning needs must be completed by participants three months after development of the initial employment plan or earlier if there is a documented need. Failure to complete the screens will result in sanction under section 256J.46; and

(4) a comprehensive review of participation and progress for participants who have received MFIP assistance and have not worked in unsubsidized employment during the past 12 months. The purpose of the review is to determine the need for additional services and supports, including placement in subsidized employment or unpaid work experience under section 256J.49, subdivision 13, or referral to family stabilization services under section 256J.575.

~~(e) Information gathered during a caregiver's participation in the diversionary work program under section 256J.95 must be incorporated into the assessment process.~~

~~(d)~~ (c) The job counselor may require the participant to complete a professional chemical use assessment to be performed according to the rules adopted under section 254A.03, subdivision 3, including provisions in the administrative rules which recognize the cultural background of the participant, or a professional psychological

assessment as a component of the assessment process, when the job counselor has a reasonable belief, based on objective evidence, that a participant's ability to obtain and retain suitable employment is impaired by a medical condition. The job counselor may assist the participant with arranging services, including child care assistance and transportation, necessary to meet needs identified by the assessment. Data gathered as part of a professional assessment must be classified and disclosed according to the provisions in section 13.46.

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

Sec. 59. Minnesota Statutes 2022, section 256J.621, subdivision 1, is amended to read:

Subdivision 1. **Program characteristics.** (a) Within 30 days of exiting the Minnesota family investment program with earnings, the county must assess eligibility for work participation cash benefits of \$25 per month to assist in meeting the family's basic needs as the participant continues to move toward self-sufficiency. Payment begins effective the first of the month following exit or termination for MFIP ~~and DWP~~ participants.

(b) To be eligible for work participation cash benefits, the participant shall not receive MFIP ~~or diversionary work program~~ assistance during the month and the participant or participants must meet the following work requirements:

(1) if the participant is a single caregiver and has a child under six years of age, the participant must be employed at least 87 hours per month;

(2) if the participant is a single caregiver and does not have a child under six years of age, the participant must be employed at least 130 hours per month; or

(3) if the household is a two-parent family, at least one of the parents must be employed 130 hours per month.

Whenever a participant ~~exits the diversionary work program or~~ is terminated from MFIP and meets the other criteria in this section, work participation cash benefits are available for up to 24 consecutive months.

(c) Expenditures on the program are maintenance of effort state funds under a separate state program for participants under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives work participation cash benefits under this section do not count toward the participant's MFIP 60-month time limit.

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

Sec. 60. Minnesota Statutes 2022, section 256J.626, subdivision 2, is amended to read:

Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures under the consolidated fund to benefits and services allowed under title IV-A of the federal Social Security Act. Allowable expenditures under the consolidated fund may include, but are not limited to:

(1) short-term, nonrecurring shelter and utility needs that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31, for families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under this subdivision are not considered TANF cash assistance and are not counted towards the 60-month time limit;

(2) transportation needed to obtain or retain employment or to participate in other approved work activities or activities under a family stabilization plan;

(3) direct and administrative costs of staff to deliver employment services for MFIP, ~~the diversionary work program,~~ or family stabilization services; to administer financial assistance; and to provide specialized services intended to assist hard-to-employ participants to transition to work or transition from family stabilization services to MFIP;

- (4) costs of education and training including functional work literacy and English as a second language;
 - (5) cost of work supports including tools, clothing, boots, telephone service, and other work-related expenses;
 - (6) county administrative expenses as defined in Code of Federal Regulations, title 45, section 260(b);
 - (7) services to parenting and pregnant teens;
 - (8) supported work;
 - (9) wage subsidies;
 - (10) child care needed for MFIP, ~~the diversionary work program~~, or family stabilization services participants to participate in social services;
 - (11) child care to ensure that families leaving MFIP ~~or diversionary work program~~ will continue to receive child care assistance from the time the family no longer qualifies for transition year child care until an opening occurs under the basic sliding fee child care program;
 - (12) services to help noncustodial parents who live in Minnesota and have minor children receiving MFIP ~~or DWP~~ assistance, but do not live in the same household as the child, obtain or retain employment; and
 - (13) services to help families participating in family stabilization services achieve the greatest possible degree of self-sufficiency.
- (b) Administrative costs that are not matched with county funds as provided in subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this section. The commissioner shall define administrative costs for purposes of this subdivision.
- (c) The commissioner may waive the cap on administrative costs for a county or tribe that elects to provide an approved supported employment, unpaid work, or community work experience program for a major segment of the county's or tribe's MFIP population. The county or tribe must apply for the waiver on forms provided by the commissioner. In no case shall total administrative costs exceed the TANF limits.

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

Sec. 61. Minnesota Statutes 2022, section 256J.626, subdivision 3, is amended to read:

Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a noncustodial parent of a minor child receiving assistance, with incomes below 200 percent of the federal poverty guideline for a family of the applicable size, are eligible for services funded under the consolidated fund. Counties and tribes must give priority to families currently receiving MFIP, ~~the diversionary work program~~, or family stabilization services; and families at risk of receiving MFIP ~~or diversionary work program~~. A county or tribe shall not impose a residency requirement on families, except for the residency requirement under section 256J.12.

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

Sec. 62. Minnesota Statutes 2022, section 256J.751, subdivision 2, is amended to read:

Subd. 2. **Quarterly comparison report.** (a) The commissioner shall report quarterly to all counties on each county's performance on the following measures:

- (1) percent of MFIP caseload working in paid employment;
- (2) percent of MFIP caseload receiving only the food portion of assistance;
- (3) number of MFIP cases that have left assistance;
- (4) median placement wage rate;
- (5) caseload by months of TANF assistance;

(6) percent of MFIP ~~and diversionary work program (DWP)~~ cases off cash assistance or working 30 or more hours per week at one-year, two-year, and three-year follow-up points from a baseline quarter. This measure is called the self-support index. The commissioner shall report quarterly an expected range of performance for each county, county grouping, and tribe on the self-support index. The expected range shall be derived by a statistical methodology developed by the commissioner in consultation with the counties and tribes. The statistical methodology shall control differences across counties in economic conditions and demographics of the MFIP ~~and DWP~~ case load; and

(7) the TANF work participation rate, defined as the participation requirements specified under Public Law 109-171, the Deficit Reduction Act of 2005.

(b) The commissioner shall not apply the limits on vocational educational training and education activities under Code of Federal Regulations, title 45, section 261.33(c), when determining TANF work participation rates for individual counties under this subdivision.

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

Sec. 63. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 9. **Prospective budgeting.** "Prospective budgeting" means estimating the amount of monthly income that an assistance unit will have in the payment month.

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

Sec. 64. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

Subd. 2. **Personal property limitations.** The equity value of an assistance unit's personal property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants. For purposes of this subdivision, personal property is limited to:

- (1) cash;
- (2) bank accounts not excluded under subdivision 4;
- (3) liquid stocks and bonds that can be readily accessed without a financial penalty;
- (4) vehicles not excluded under subdivision 3; and
- (5) the full value of business accounts used to pay expenses not related to the business.

Sec. 65. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to read:

Subd. 4. **Account exception.** Family asset accounts under section 256E.35 and individual development accounts authorized under the Assets for Independence Act, Title IV of the Community Opportunities, Accountability, and Training and Educational Services Human Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when determining the equity value of personal property.

Sec. 66. Minnesota Statutes 2022, section 256P.04, subdivision 4, is amended to read:

Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

- (1) identity of adults;
- (2) age, if necessary to determine eligibility;
- (3) immigration status;
- (4) income;
- (5) spousal support and child support payments made to persons outside the household;
- (6) vehicles;
- (7) checking and savings accounts, including but not limited to any business accounts used to pay expenses not related to the business;
- (8) inconsistent information, if related to eligibility;
- (9) residence; and
- (10) Social Security number; ~~and.~~
- ~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item (ix), for the intended purpose for which it was given and received.~~

(b) Applicants who are qualified noncitizens and victims of domestic violence as defined under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the information in paragraph (a), clause (10). When a Social Security number is not provided to the agency for verification, this requirement is satisfied when each member of the assistance unit cooperates with the procedures for verification of Social Security numbers, issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner.

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

Sec. 67. Minnesota Statutes 2022, section 256P.04, subdivision 8, is amended to read:

Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During recertification and reporting under section 256P.10, the agency shall verify the following:

- (1) income, unless excluded, including self-employment earnings;
- (2) assets when the value is within \$200 of the asset limit; and
- (3) inconsistent information, if related to eligibility.

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

Sec. 68. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

- (1) earned income; and
- (2) unearned income, which includes:
 - (i) interest and dividends from investments and savings;
 - (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;
 - (iii) proceeds from rent and contract for deed payments in excess of the principal and interest portion owed on property;
 - (iv) income from trusts, excluding special needs and supplemental needs trusts;
 - (v) interest income from loans made by the participant or household;
 - (vi) cash prizes and winnings;
 - (vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:
 - (A) 18 years of age and enrolled in a secondary school; or
 - (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;
 - (viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors, and disability insurance payments;
 - ~~(ix) nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A) from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or refund of personal or real property or costs or losses incurred when these payments are made by: a public agency; a court; solicitations through public appeal; a federal, state, or local unit of government; or a disaster assistance organization; (C) provided as an in-kind benefit; or (D) earmarked and used for the purpose for which it was intended, subject to verification requirements under section 256P.04;~~
 - ~~(x)~~ (ix) retirement benefits;
 - ~~(xi)~~ (x) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I, and 256J;
 - ~~(xii)~~ (xi) Tribal per capita payments unless excluded by federal and state law;
 - ~~(xiii)~~ (xii) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;
 - ~~(xiv)~~ (xiii) for the purposes of programs under chapters 119B, 256D, and 256I, all child support payments ~~for programs under chapters 119B, 256D, and 256I~~;
 - ~~(xv)~~ (xiv) for the purposes of programs under chapter 256J, the amount of child support received that exceeds \$100 for assistance units with one child and \$200 for assistance units with two or more children ~~for programs under chapter 256J~~;
 - ~~(xvi)~~ (xv) spousal support; ~~and~~

~~(xvii)~~ (xvi) workers' compensation; and

(xvii) for the purposes of programs under chapters 119B and 256J, the amount of retirement, survivors, and disability insurance payments that exceeds the applicable monthly federal maximum Supplemental Security Income payments.

EFFECTIVE DATE. This section is effective September 1, 2024, except the removal of item (ix) related to nonrecurring income is effective July 1, 2024.

Sec. 69. Minnesota Statutes 2022, section 256P.07, subdivision 1, is amended to read:

Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security Income and qualify for Minnesota supplemental aid under chapter 256D and or for housing support under chapter 256I on the basis of eligibility for Supplemental Security Income are exempt from this section reporting income under this chapter.

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

Sec. 70. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision to read:

Subd. 1a. **Child care assistance programs.** Participants who qualify for child care assistance programs under chapter 119B are exempt from this section except the reporting requirements in subdivision 6.

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

Sec. 71. Minnesota Statutes 2022, section 256P.07, subdivision 2, is amended to read:

Subd. 2. **Reporting requirements.** An applicant or participant must provide information on an application and any subsequent reporting forms about the assistance unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must report changes that affect eligibility or benefits as identified in subdivision subdivisions 3, 4, 5, 7, 8, and 9 during the application period or by the tenth of the month following the month the assistance unit's circumstances changed. When information is not accurately reported, both an overpayment and a referral for a fraud investigation may result. When information or documentation is not provided, the receipt of any benefit may be delayed or denied, depending on the type of information required and its effect on eligibility.

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

Sec. 72. Minnesota Statutes 2022, section 256P.07, subdivision 3, is amended to read:

Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur, at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An assistance unit must report other changes at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under clauses (1) to (12) had not occurred, the agency must determine whether a timely notice could have been issued on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to that notice must be considered a client error overpayment under section 119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within ten days must also be reported for the reporting period in which those changes occurred. Within ten days, an assistance unit must report:~~

~~(1) a change in earned income of \$100 per month or greater with the exception of a program under chapter 119B;~~

~~(2) a change in unearned income of \$50 per month or greater with the exception of a program under chapter 119B;~~

- ~~(3) a change in employment status and hours with the exception of a program under chapter 119B;~~
- ~~(4) a change in address or residence;~~
- ~~(5) a change in household composition with the exception of programs under chapter 256I;~~
- ~~(6) a receipt of a lump sum payment with the exception of a program under chapter 119B;~~
- ~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter 119B;~~
- ~~(8) a change in citizenship or immigration status;~~
- ~~(9) a change in family status with the exception of programs under chapter 256I;~~
- ~~(10) a change in disability status of a unit member, with the exception of programs under chapter 119B;~~
- ~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program under chapter 119B; and~~
- ~~(12) a sale, purchase, or transfer of real property with the exception of a program under chapter 119B.~~

(a) An assistance unit must report changes or anticipated changes as described in this section.

(b) An assistance unit must report:

(1) a change in eligibility for Supplemental Security Income, Retirement Survivors Disability Insurance, or another federal income support;

(2) a change in address or residence;

(3) a change in household composition with the exception of programs under chapter 256I;

(4) cash prizes and winnings according to guidance provided for the Supplemental Nutrition Assistance Program;

(5) a change in citizenship or immigration status;

(6) a change in family status with the exception of programs under chapter 256I; and

(7) a change that makes the value of the unit's assets at or above the asset limit.

(c) When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under paragraph (b) had not occurred, the agency must determine whether the agency could have issued a timely notice on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to the notice must be considered a client error overpayment under section 256P.08.

EFFECTIVE DATE. This section is effective March 1, 2025, except that the amendment deleting clause (6) is effective July 1, 2024.

Sec. 73. Minnesota Statutes 2022, section 256P.07, subdivision 4, is amended to read:

Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under chapter 256J, ~~within ten days of the change,~~ must report:

- (1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~
- (2) a change in school attendance of a parent under 20 years of age ~~or of an employed child; and~~
- (3) an individual in the household who is 18 or 19 years of age attending high school who graduates or drops out of school.

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

Sec. 74. Minnesota Statutes 2022, section 256P.07, subdivision 6, is amended to read:

Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must report:

(1) a change in a parentally responsible individual's custody schedule for any child receiving child care assistance program benefits;

(2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

(3) if the unit's family's annual included income exceeds 85 percent of the state median income, adjusted for family size;

(4) a change in address or residence;

(5) a change in household composition;

(6) a change in citizenship or immigration status; and

(7) a change in family status.

(b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must report a change in the unit's authorized activity status.

(c) An assistance unit must notify the county when the unit wants to reduce the number of authorized hours for children in the unit.

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

Sec. 75. Minnesota Statutes 2022, section 256P.07, subdivision 7, is amended to read:

Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the Minnesota supplemental aid program under ~~section 256D.44, subdivision 5, paragraph (g), within ten days of the change,~~ chapter 256D and not receiving Supplemental Security Income must report ~~shelter expenses;~~

(1) a change in unearned income of \$50 per month or greater; and

(2) a change in earned income of \$100 per month or greater.

(b) An assistance unit receiving housing assistance under section 256D.44, subdivision 5, paragraph (g), including assistance units that also receive Supplemental Security Income, must report:

(1) a change in shelter expenses; and

(2) a new rent subsidy or a change in rent subsidy.

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

Sec. 76. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision to read:

Subd. 8. **Housing support-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the housing support program under chapter 256I and not receiving Supplemental Security Income must report:

(1) a change in unearned income of \$50 per month or greater; and

(2) a change in earned income of \$100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10.

(b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving housing support under chapter 256I, including an assistance unit that receives Supplemental Security Income, must report:

(1) a new rent subsidy or a change in rent subsidy;

(2) a change in the disability status of a unit member; and

(3) a change in household composition if the assistance unit is a participant in housing support under section 256I.04, subdivision 3, paragraph (a), clause (3).

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

Sec. 77. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision to read:

Subd. 9. **General assistance-specific reporting.** In addition to subdivision 3, an assistance unit participating in the general assistance program under chapter 256D must report:

(1) a change in unearned income of \$50 per month or greater;

(2) a change in earned income of \$100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10; and

(3) changes in any condition that would result in the loss of basis for eligibility in section 256D.05, subdivision 1, paragraph (a).

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

Sec. 78. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 119B and assistance units that receive housing support under chapter 256I are not subject to reporting under section 256P.10, and assistance units that qualify for Minnesota supplemental aid under chapter 256D are exempt from this section.

Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use prospective budgeting to calculate the assistance payment amount.

Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of benefits, an agency must take into account the income already received by the assistance unit during or anticipated to be received during the application period. Income anticipated to be received only in the initial month of eligibility must only be counted in the initial month.

Subd. 4. **Income determination.** An agency must use prospective budgeting to determine the amount of the assistance unit's benefit for the eligibility period based on the best information available at the time of approval. An agency shall only count anticipated income when the participant and the agency are reasonably certain of the amount of the payment and the month in which the payment will be received. If the exact amount of the income is not known, the agency shall consider only the amounts that can be anticipated as income.

Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's eligibility or benefit amount until the next review unless otherwise required to be reported in section 256P.07. A decrease in income shall be effective on the date that the change occurs if the change is reported by the tenth of the month following the month when the change occurred. If the assistance unit does not report the change in income by the tenth of the month following the month when the change occurred, the change in income shall be effective on the date the change was reported.

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

Sec. 79. **[256P.10] SIX-MONTH REPORTING.**

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 119B, assistance units that qualify for Minnesota supplemental aid under chapter 256D, and assistance units that qualify for housing support under chapter 256I and also receive Supplemental Security Income are exempt from this section.

Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the Minnesota family investment program under chapter 256J, an assistance unit that qualifies for general assistance under chapter 256D with an earned income of \$100 per month or greater, or an assistance unit that qualifies for housing support under chapter 256I with an earned income of \$100 per month or greater is subject to six-month reviews. The initial reporting period may be shorter than six months in order to align with other programs' reporting periods.

(b) An assistance unit that qualifies for the Minnesota family investment program or an assistance unit that qualifies for general assistance with an earned income of \$100 per month or greater must complete household report forms as required by the commissioner for redetermination of benefits.

(c) An assistance unit that qualifies for housing support with an earned income of \$100 per month or greater must complete household report forms as prescribed by the commissioner to provide information about earned income.

(d) An assistance unit that qualifies for housing support and also receives assistance through the Minnesota family investment program shall be subject to requirements of this section for purposes of the Minnesota family investment program but not for housing support.

(e) An assistance unit covered by this section must submit a household report form in compliance with the provisions in section 256P.04, subdivision 11.

(f) An assistance unit covered by this section may choose to report changes under this section at any time.

Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when the assistance unit fails to submit the household report form before the end of the six-month review period. If the assistance unit submits the household report form within 30 days of the termination of benefits and remains eligible, benefits must be reinstated and made available retroactively for the full benefit month.

(b) When an assistance unit is determined to be ineligible for assistance according to this section and chapter 256D, 256I, or 256J, the agency must terminate assistance.

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

Sec. 80. Minnesota Statutes 2022, section 261.063, is amended to read:

261.063 TAX LEVY FOR SOCIAL SERVICES; BOARD DUTY; PENALTY.

(a) The board of county commissioners of each county shall annually levy taxes and fix a rate sufficient to produce the full amount required for poor relief, general assistance, Minnesota family investment program, ~~diversionary work program~~, county share of county and state supplemental aid to Supplemental Security Income applicants or recipients, and any other Social Security measures wherein there is now or may hereafter be county participation, sufficient to produce the full amount necessary for each such item, including administrative expenses, for the ensuing year, within the time fixed by law in addition to all other tax levies and tax rates, however fixed or determined, and any commissioner who shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately removed from office by the governor. For the purposes of this paragraph, "poor relief" means county services provided under sections 261.035 and 261.21 to 261.231.

(b) Nothing within the provisions of this section shall be construed as requiring a county agency to provide income support or cash assistance to needy persons when they are no longer eligible for assistance under general assistance, chapter 256J, or Minnesota supplemental aid.

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

Sec. 81. Minnesota Statutes 2022, section 514.972, subdivision 5, is amended to read:

Subd. 5. **Access to certain items.** (a) Any occupant may remove from the self-storage facility personal papers and health aids upon demand made to any of the persons listed in section 514.976, subdivision 1.

(b) An occupant who provides documentation from a government or nonprofit agency or legal aid office that the occupant is a recipient of relief based on need, is eligible for legal aid services, or is a survivor of domestic violence or sexual assault may remove, in addition to the items provided in paragraph (a), personal clothing of the occupant and the occupant's dependents and tools of the trade that are necessary for the livelihood of the occupant that has a market value not to exceed \$125 per item.

(c) The occupant shall present a list of the items and may remove the items during the facility's ordinary business hours prior to the sale authorized by section 514.973. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to request relief from the court for an order allowing access to the storage space for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements, and attorney fees expended by the occupant to obtain this order.

(d) For the purposes of this subdivision, "relief based on need" includes but is not limited to receipt of a benefit from the Minnesota family investment program ~~and diversionary work program~~, medical assistance, general assistance, emergency general assistance, Minnesota supplemental aid, Minnesota supplemental aid housing

assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance Program benefits, earned income tax credit, or Minnesota working family tax credit. Relief based on need can also be proven by providing documentation from a legal aid organization that the individual is receiving legal aid assistance, or by providing documentation from a government agency, nonprofit, or housing assistance program that the individual is receiving assistance due to domestic violence or sexual assault.

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

Sec. 82. **SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH PROGRAM.**

Subdivision 1. **SNAP outreach program.** The commissioner of human services shall implement a Supplemental Nutrition Assistance Program (SNAP) outreach program to inform low-income households about the availability, eligibility requirements, application procedures, and benefits of SNAP that meets the requirements of the United States Department of Agriculture.

Subd. 2. **Duties of commissioner.** In addition to any other duties imposed by federal law, the commissioner shall:

(1) supervise the administration of the SNAP outreach program according to guidance provided by the United States Department of Agriculture;

(2) submit the SNAP outreach plan and budget to the United States Department of Agriculture;

(3) accept any funds provided by the federal government or other sources for SNAP outreach;

(4) administer the request-for-proposals process and establish contracts with grantees to ensure SNAP outreach services are available to inform low-income households statewide;

(5) approve budgets from grantees to ensure that activities are eligible for federal reimbursement;

(6) monitor grantees, review invoices, and reimburse grantees for allowable costs that are eligible for federal reimbursement;

(7) provide technical assistance to grantees to ensure that projects support SNAP outreach goals and project costs are eligible for federal reimbursement;

(8) work in partnership with counties, Tribal Nations, and community organizations to enhance the reach and services of a statewide SNAP outreach program; and

(9) identify and leverage eligible nonfederal funds to earn federal reimbursement for SNAP outreach.

Subd. 3. **Program funding.** (a) Grantees must submit allowable costs for approved SNAP outreach activities to the commissioner in order to receive federal reimbursement.

(b) The commissioner shall disburse federal reimbursement funds for allowable costs for approved SNAP outreach activities to the state agency or grantee that incurred the costs being reimbursed.

Sec. 83. **REVISOR INSTRUCTION.**

The revisor of statutes shall remove from Minnesota Statutes, sections 550.143, subdivision 3c; 550.37, subdivision 14; 551.05, subdivision 1d; 571.72, subdivision 10; 571.912, subdivision 3; and 571.925, the terms "MFIP Diversionary Work Program" and "MFIP diversionary work program." The revisor shall also make any necessary grammatical changes related to the removal of terms.

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

Sec. 84. **REPEALER.**

(a) Minnesota Statutes 2022, sections 256.9864; 256J.08, subdivisions 10, 53, 61, 62, 81, and 83; 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; 256J.34, subdivisions 1, 2, 3, and 4; and 256J.37, subdivision 10, are repealed.

(b) Minnesota Statutes 2022, section 256J.425, subdivision 6, is repealed.

(c) Minnesota Statutes 2022, sections 119B.011, subdivision 10a; 256J.08, subdivision 24b; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19; and 256P.07, subdivision 5, are repealed.

(d) Minnesota Statutes 2022, section 256D.63, subdivision 1, is repealed.

(e) Minnesota Statutes 2022, section 256.8799, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective March 1, 2025, except the repeal of Minnesota Statutes, sections 256J.08, subdivisions 53 and 62, and 256J.37, subdivision 10, is effective July 1, 2024. Paragraph (b) is effective May 1, 2026. Paragraph (c) is effective March 1, 2024. Paragraph (d) is effective the day following final enactment. Paragraph (e) is effective August 1, 2023.

ARTICLE 6
HOMELESSNESS

Section 1. Minnesota Statutes 2022, section 145.4716, subdivision 3, is amended to read:

Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be eligible for all services, support, and programs provided under this section and section 145.4717, and all shelter, housing beds, and services provided by the commissioner of human services to sexually exploited youth and youth at risk of sexual exploitation under section 256K.47.

Sec. 2. Minnesota Statutes 2022, section 256K.45, subdivision 3, is amended to read:

Subd. 3. **Street and community outreach and drop-in program.** Youth drop-in centers must provide walk-in access to crisis intervention and ongoing supportive services including one-to-one case management services on a self-referral basis. Street and community outreach programs must locate, contact, and provide information, referrals, and services to homeless youth, youth at risk of homelessness, and runaways. Information, referrals, and services provided may include, but are not limited to:

- (1) family reunification services;
- (2) conflict resolution or mediation counseling;
- (3) assistance in obtaining temporary emergency shelter;
- (4) assistance in obtaining food, clothing, medical care, or mental health counseling;
- (5) counseling regarding violence, sexual exploitation, substance abuse, sexually transmitted diseases, and pregnancy;
- (6) referrals to other agencies that provide support services to homeless youth, youth at risk of homelessness, and runaways;

(7) assistance with education, employment, and independent living skills;

(8) aftercare services;

(9) specialized services for highly vulnerable runaways and homeless youth, including ~~teen~~ but not limited to youth at risk of discrimination based on sexual orientation or gender identity, young parents, emotionally disturbed and mentally ill youth, and sexually exploited youth; and

(10) homelessness prevention.

Sec. 3. Minnesota Statutes 2022, section 256K.45, subdivision 7, is amended to read:

Subd. 7. **Provider repair or improvement grants.** (a) Providers that serve homeless youth ~~under this section~~ may apply for a grant of up to ~~\$200,000~~ \$500,000 under this subdivision to make minor or mechanical repairs or improvements to a facility providing services to homeless youth or youth at risk of homelessness.

(b) Grant applications under this subdivision must include a description of the repairs or improvements and the estimated cost of the repairs or improvements.

~~(c) Grantees under this subdivision cannot receive grant funds under this subdivision for two consecutive years.~~

Sec. 4. Minnesota Statutes 2022, section 256K.45, is amended by adding a subdivision to read:

Subd. 8. **Awarding of grants.** For grants awarded pursuant to a two-year grant contract, the commissioner shall permit grant recipients to carry over any unexpended amount from the first contract year to the second contract year.

Sec. 5. **[256K.47] SAFE HARBOR SHELTER AND HOUSING GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner of human services shall establish the safe harbor shelter and housing grant program and award grants to providers who are committed to serving sexually exploited youth and youth at risk of sexual exploitation. The grant program is to provide street and community outreach programs, emergency shelter programs, and supportive housing programs, consistent with the program descriptions in this section in order to address the specialized outreach, shelter, and housing needs of sexually exploited youth and youth at risk of sexual exploitation.

Subd. 2. **Youth eligible for services.** Youth 24 years of age or younger shall be eligible for all shelter, housing beds, and services provided under this section and all services, support, and programs provided by the commissioner of health to sexually exploited youth and youth at risk of sexual exploitation under sections 145.4716 and 145.4717.

Subd. 3. **Street and community outreach.** Street and community outreach programs receiving grants under this section must locate, contact, and provide information, referrals, and services to eligible youth. Information, referrals, and services provided by street and community outreach programs may include but are not limited to:

(1) family reunification services;

(2) conflict resolution or mediation counseling;

(3) assistance in obtaining temporary emergency shelter;

(4) assistance in obtaining food, clothing, medical care, or mental health counseling;

(5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;

(6) referrals to other agencies that provide support services to sexually exploited youth and youth at risk of sexual exploitation;

(7) assistance with education, employment, and independent living skills;

(8) aftercare services;

(9) specialized services for sexually exploited youth and youth at risk of sexual exploitation, including youth experiencing homelessness and youth with mental health needs; and

(10) services to address the prevention of sexual exploitation and homelessness.

Subd. 4. **Emergency shelter program.** (a) Emergency shelter programs must provide eligible youth with referral and walk-in access to emergency, short-term residential care. The program shall provide eligible youth with safe, dignified shelter, including private shower facilities, beds, and meals each day; and shall assist eligible youth with reunification with the family or legal guardian when required or appropriate.

(b) The services provided at emergency shelters may include but are not limited to:

(1) specialized services to address the trauma of sexual exploitation;

(2) family reunification services;

(3) individual, family, and group counseling;

(4) assistance obtaining clothing;

(5) access to medical and dental care and mental health counseling;

(6) counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;

(7) education and employment services;

(8) recreational activities;

(9) advocacy and referral services;

(10) independent living skills training;

(11) aftercare and follow-up services;

(12) transportation; and

(13) services to address the prevention of sexual exploitation and homelessness.

Subd. 5. **Supportive housing programs.** Supportive housing programs must help eligible youth find and maintain safe, dignified housing and provide related supportive services and referrals. The program may also provide rental assistance. Services provided in supportive housing programs may include but are not limited to:

(1) specialized services to address the trauma of sexual exploitation;

(2) education and employment services;

(3) budgeting and money management;

(4) assistance in securing housing appropriate to needs and income;

(5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;

(6) referral for medical services or chemical dependency treatment;

(7) parenting skills;

(8) self-sufficiency support services and independent living skills training;

(9) aftercare and follow-up services; and

(10) services to address the prevention of sexual exploitation and homelessness prevention.

Subd. 6. **Funding.** Money appropriated for this section may be expended on programs described under subdivisions 3 to 5, technical assistance, and capacity building to meet the greatest need on a statewide basis.

Sec. 6. **HOMELESS YOUTH CASH STIPEND PILOT PROJECT.**

Subdivision 1. **Pilot project established.** The commissioner of human services shall establish a homeless youth cash stipend pilot project to provide a direct cash stipend to homeless youth in St. Louis County. The pilot project must be designed to meet the needs of underserved communities.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of human services.

(c) "Homeless youth" means a person 18 to 24 years of age who lacks a fixed, regular, and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime residences:

(1) a supervised publicly or privately operated shelter designed to provide temporary living accommodations;

(2) an institution or a publicly or privately operated shelter designed to provide temporary living accommodations;

(3) transitional housing;

(4) a temporary placement with a peer, friend, or family member that has not offered permanent residence, a residential lease, or temporary lodging for more than 30 days; or

(5) a public or private place not designed for, nor ordinarily used as, a regular sleeping accommodation for human beings.

Subd. 3. **Administration.** The commissioner, as authorized by Minnesota Statutes, section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

(1) identify eligible homeless youth under this section;

(2) provide technical assistance to cash stipend recipients;

(3) engage with cash stipend recipients to develop youth-designed optional services;

(4) evaluate the efficacy and cost-effectiveness of the pilot program;

(5) collaborate with youth leaders of each county to identify and contract with the appropriate service providers to offer financial coaching, housing navigation, employment, education services, and trauma-informed mentoring and support; and

(6) submit annual updates and a final report to the commissioner.

Subd. 4. **Eligibility.** Homeless youth who are 18 to 24 years of age and who live in St. Louis County at the time of initial enrollment are eligible to participate in the pilot project.

Subd. 5. **Cash stipend.** The commissioner, in consultation with Youthprise and St. Louis County, shall establish a stipend amount for eligible homeless youth who participate in the pilot project.

Subd. 6. **Stipends not to be considered income.** (a) Notwithstanding any law to the contrary, cash stipends under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) the Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(b) The commissioner must not consider cash stipends under this section as income or assets for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c.

(c) Postsecondary institutions as defined in Minnesota Statutes, section 136A.103, shall minimize any negative impact on student financial aid resulting from the receipt of cash stipends under this section.

Subd. 7. **Report.** The commissioner, in cooperation with Youthprise and St. Louis County, shall submit an annual report on Youthprise's findings regarding the efficacy and cost-effectiveness of the homeless youth cash stipend pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over homeless youth policy and finance by January 15, 2024, and each January 15 thereafter.

Subd. 8. **Expiration.** This section expires June 30, 2027.

Sec. 7. **EMERGENCY SHELTER FACILITIES.**

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code, or housing and redevelopment authority established under Minnesota Statutes, section 469.003.

(d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and families experiencing homelessness, regardless of whether the facility provides emergency shelter during the day, overnight, or both.

Subd. 2. **Project criteria.** (a) The commissioner shall prioritize grants under this section for projects that improve or expand emergency shelter facility options by:

(1) adding additional emergency shelter facilities by renovating existing facilities not currently operating as emergency shelter facilities;

(2) adding additional emergency shelter facility beds by renovating existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure;

(3) adding additional emergency shelter facility beds through acquisition and construction of new emergency shelter facilities;

(4) improving the safety, sanitation, accessibility, and habitability of existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure; and

(5) improving access to emergency shelter facilities that provide culturally appropriate shelter and gender-inclusive shelter.

(b) A grant under this section may be used to pay for 100 percent of total project capital expenditures or a specified project phase, up to \$10,000,000 per project. For eligible applicants seeking funding under this section for the acquisition and construction of new emergency shelter facilities under paragraph (a), clause (3), the commissioner must give priority to projects in which the eligible applicant will provide at least ten percent of total project funding.

(c) All projects funded with a grant under this section must meet all applicable state and local building codes at the time of project completion.

(d) The commissioner must use a competitive request for proposal process to identify potential projects and eligible applicants on a statewide basis. At least 40 percent of the appropriation under this section must be awarded to projects located in greater Minnesota. If the commissioner does not receive sufficient eligible funding requests from greater Minnesota to award at least 40 percent of the appropriation under this section to projects in greater Minnesota, the commissioner may award the remaining funds to other eligible projects.

(e) Notwithstanding Minnesota Statutes, sections 16B.98, subdivision 5, paragraph (a), clauses (1) and (2), and 16C.05, subdivision 2, paragraph (a), clause (3), final grant recipients from a competitive grant process may incur eligible expenses based on an agreed-upon predesign and design work plan and budget commencing July 1, 2023, prior to an encumbrance being established in the accounting system and grant execution.

ARTICLE 7 MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 4.045, is amended to read:

4.045 CHILDREN'S CABINET.

The Children's Cabinet shall consist of the commissioners of education; human services; employment and economic development; public safety; corrections; management and budget; health; administration; Housing Finance Agency; and transportation; and ~~the director of the Office of Strategic and Long-Range Planning children, youth, and families.~~ The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children's Cabinet are performed.

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

Sec. 2. Minnesota Statutes 2022, section 10.65, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) As used in this section, the following terms have the meanings given:

(1) "agency" means the Department of Administration; Department of Agriculture; Department of Children, Youth, and Families; Department of Commerce; Department of Corrections; Department of Education; Department of Employment and Economic Development; Department of Health; Office of Higher Education; Housing Finance Agency; Department of Human Rights; Department of Human Services; Department of Information Technology Services; Department of Iron Range Resources and Rehabilitation; Department of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services; Department of Military Affairs; Metropolitan Council; Department of Natural Resources; Pollution Control Agency; Department of Public Safety; Department of Revenue; Department of Transportation; Department of Veterans Affairs; Gambling Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; and the Board of Water and Soil Resources;

(2) "consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications. Consultation is the proactive, affirmative process of identifying and seeking input from appropriate Tribal governments and considering their interest as a necessary and integral part of the decision-making process. This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency officials and the governing body or bodies of an individual Minnesota Tribal government that the agency or an individual Tribal government may initiate. Formal meetings or communication between top agency officials and the governing body of a Minnesota Tribal government is a necessary element of consultation;

(3) "matters that have Tribal implications" means rules, legislative proposals, policy statements, or other actions that have substantial direct effects on one or more Minnesota Tribal governments, or on the distribution of power and responsibilities between the state and Minnesota Tribal governments;

(4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community; and

(5) "timely and meaningful" means done or occurring at a favorable or useful time that allows the result of consultation to be included in the agency's decision-making process for a matter that has Tribal implications.

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

Sec. 3. Minnesota Statutes 2022, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Children, Youth, and Families; the Department of Commerce; the Department of Corrections; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Human Services; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

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

Sec. 4. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Education; Employment and Economic Development; Health; Human Rights; Labor and Industry; Management and Budget; Natural Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range Resources and Rehabilitation; the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

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

Sec. 5. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall not exceed 133 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;
Commissioner of employment and economic development;
Commissioner of transportation; and
Commissioner of veterans affairs.

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

Sec. 6. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

- (1) the designation of the position would not be contrary to other law relating specifically to that agency;
- (2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;
- (3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;
- (4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;
- (5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;
- (6) the position would be at the level of division or bureau director or assistant to the agency head; and
- (7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

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

Sec. 7. **[119C.01] GREAT START SCHOLARSHIPS PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of children, youth, and families, in collaboration with the commissioner of education and the commissioner of human services, shall establish and develop the great start scholarships program to ensure affordable access to high-quality early care and learning for children from birth to kindergarten entry.

Subd. 2. **Development.** In developing the program under this section, the commissioner shall:

(1) identify ways to integrate the functions, administrative structures, and funding mechanisms of early care and learning programs administered by the state with the great start scholarships program;

(2) consider the recommendations made by the Great Start for All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18, subdivision 2;

(3) make a plan to seamlessly transition the following families to the great start scholarships program by July 1, 2026:

(i) families with at least one child receiving an early learning scholarship under section 124D.165; and

(ii) families with at least one child who is not yet in kindergarten and is receiving child care assistance under section 119B.03 or 119B.05 for care received from a provider licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed, or a Head Start program that has a rating under section 124D.142;

(4) create mechanisms for members of local communities, including families and members of the early care and learning workforce, to have input in decisions regarding needs and preferences for early care and learning options;

(5) develop a method for funding early care and learning slots in response to local need through contracts with eligible providers that may be used to deliver services that meet quality and compensation standards with the intent to build early care and learning capacity statewide for children from birth to kindergarten entry; and

(6) maximize available federal resources while minimizing the extent to which state policy is limited by federal regulations. The executive director, in consultation with an appropriate state agency, may seek federal technical assistance or outside consultation as necessary to provide minimally burdensome program access to all participating families.

Subd. 3. **Program requirements.** The great start scholarships program must include at a minimum:

(1) family-directed scholarships that provide financial assistance to families voluntarily participating in the program;

(2) family eligibility for any family that has at least one child who is not yet in kindergarten;

(3) provider eligibility for:

(i) any program licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed, that participates in the quality rating and improvement system under section 124D.142; and

(ii) any school-based program and Head Start program that has a rating under section 124D.142;

(4) a unified, integrated, and simple online application process that utilizes administrative data to ease qualification and benefit determination and facilitate required reporting to the federal government;

(5) an integrated electronic attendance tracking system and payments system to safeguard program integrity and streamline billing and payment processes for providers; and

(6) a schedule for scholarship amounts that ensures that no participating family pays more than seven percent of annual income for early care and learning services for children from birth to kindergarten entry. Scholarship amounts may vary by family income, program quality, geography, and need for compensatory services, and may take into consideration the results of the market rate survey under section 119B.02, subdivision 7; information from cost estimation models for providing early care and learning in the state; and cost information gathered through contracts under subdivision 2, clause (5).

Subd. 4. **Administration.** By May 1, 2026, the commissioner, in consultation with the commissioners of education and human services, shall have in place the administrative structures and systems needed for the great start scholarships program to meet the operational needs of participating families and eligible providers.

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

Sec. 8. Minnesota Statutes 2022, section 124D.142, subdivision 2, is amended to read:

Subd. 2. **System components.** (a) The standards-based voluntary quality rating and improvement system includes:

(1) at least a one-star rating for all programs licensed under Minnesota Rules, chapter 9502 or 9503, that do not opt out of the system under paragraph (b) and that are not:

(i) the subject of a finding of fraud;

(ii) prohibited from receiving public funds under section 245.095;

(iii) under revocation, suspension, temporary immediate suspension, or decertification, regardless of whether the action is under appeal; or

(iv) operating under a conditional license, regardless of whether the license holder has requested reconsideration;

~~(1)~~ (2) quality opportunities in order to improve the educational outcomes of children so that they are ready for school;

~~(2)~~ (3) a framework based on the Minnesota quality rating system rating tool and a common set of child outcome and program standards informed by evaluation results;

~~(3)~~ (4) a tool to increase the number of publicly funded and regulated early learning and care services in both public and private market programs that are high quality;

(4) (5) voluntary participation ensuring that if a program or provider chooses to participate, the program or provider will be rated and may receive public funding associated with the rating; and

~~(5)~~ (6) tracking progress toward statewide access to high-quality early learning and care programs, progress toward the number of low-income children whose parents can access quality programs, and progress toward increasing the number of children who are fully prepared to enter kindergarten.

(b) The commissioner of human services shall establish a process by which a program may opt out of the rating under paragraph (a), clause (1).

Sec. 9. **[143.01] DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to this chapter.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families.

Subd. 3. **Department.** "Department" means the Department of Children, Youth, and Families.

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

Sec. 10. **[143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.**

Subdivision 1. **Department.** The Department of Children, Youth, and Families is established.

Subd. 2. **Transfer and restructuring provisions.** The restructuring of agencies under this act must be conducted in accordance with sections 15.039 and 43A.045.

Subd. 3. **Successor and employee protection clause.** (a) Personnel relating to the functions assigned to the commissioner in section 143.03 are transferred to the department effective 30 days after approval by the commissioner.

(b) Before the commissioner's appointment, personnel relating to the functions in this section may be transferred beginning July 1, 2024, with 30 days' notice from the commissioner of management and budget.

(c) The following protections shall apply to employees who are transferred to the department from state agencies:

(1) no transferred employee shall have their employment status and job classification altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) any applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for transferred employees after the transfer;

(4) the state shall have the obligation to meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent that the proposed changes are not addressed in the applicable collective bargaining agreement; and

(5) in the event that the state transfers ownership or control of any facilities, services, or operations of the department to another private or public entity by subcontracting, sale, assignment, lease, or other transfer, the state shall require as a written condition of the transfer of ownership or control the following:

(i) employees who perform work in the facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer; and

(ii) the wage and benefit standards of the transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the department.

(d) To the extent that departmental changes affect the operations of any school district or charter school, employers have the obligation to bargain about any changes affecting or relating to employees' terms and conditions of employment if the changes are necessary during or after the term of an existing collective bargaining agreement.

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

Sec. 11. **[143.03] COMMISSIONER.**

Subdivision 1. **General.** The department is under the administrative control of the commissioner. The commissioner is appointed by the governor with the advice and consent of the senate. The commissioner has the general powers provided in section 15.06, subdivision 6. The commissioner's salary must be established according to the procedure in section 15A.0815, subdivision 5, in the same range as specified for the commissioner of management and budget.

Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the commissioner. Any money received under this paragraph is appropriated and dedicated for the purpose for which the money is granted. The commissioner must biennially report to the chairs and ranking minority members of relevant legislative committees and divisions by January 15 of each even-numbered year a list of all grants and gifts received under this subdivision.

(b) Pursuant to law, the commissioner may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the commissioner.

(c) The commissioner may make contracts with and grants to Tribal Nations, public and private agencies and organizations, both for-profit and nonprofit, and individuals using appropriated money.

(d) The commissioner must develop program objectives and performance measures for evaluating progress toward achieving the objectives. The commissioner must identify the objectives, performance measures, and current status of achieving the measures in a biennial report to the chairs and ranking minority members of relevant legislative committees and divisions. The report is due no later than January 15 each even-numbered year. The report must include, when possible, the following objectives:

(1) considering the experiences of children, youth, and families in all aspects of the department's work;

(2) increasing the effectiveness of the department's programs in addressing the needs of children and youth facing racial, economic, or geographic inequities;

(3) increasing coordination and reducing inefficiencies among the department's programs and the funding sources that support the programs;

(4) increasing the alignment and coordination of family access to child care and early learning programs and improving systems of support for early childhood and learning providers and services;

(5) improving the connection between the department's programs and the kindergarten through grade 12 system and the higher education system; and

(6) minimizing and streamlining the effort required of youth and families to receive services to which the youth and families are entitled.

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

Sec. 12. **[143.04] STATE AND COUNTY SYSTEMS.**

Subdivision 1. **Establishment of systems.** (a) The commissioner shall establish and enhance computer systems necessary for the efficient operation of the programs the commissioner supervises, including:

(1) management and administration of the Supplemental Nutrition Assistance Program (SNAP) and income maintenance program, including the electronic distribution of benefits; and

(2) management and administration of the child support enforcement program.

(b) The commissioner's development costs incurred by computer systems for statewide programs administered with that computer system and mandated by state or federal law must not be assessed against county agencies. The commissioner may charge a county for development and operating costs incurred by computer systems for functions requested by the county and not mandated by state or federal law for programs administered by the computer system incurring the cost.

(c) The commissioner shall distribute the nonfederal share of the costs of operating and maintaining the systems to the commissioner and to the counties participating in the system in a manner that reflects actual system usage, except that the nonfederal share of the costs of the MAXIS computer system and child support enforcement systems for statewide programs administered by those systems and mandated by state or federal law shall be borne entirely by the commissioner.

(d) The commissioner may enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to participate in state-operated computer systems related to the management and administration of the SNAP, income maintenance, and child support enforcement programs to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner.

Subd. 2. **State systems account created.** A state systems account for the Department of Children, Youth, and Families is created in the state treasury. Money collected by the commissioner for the programs in subdivision 1 must be deposited in the account. Money in the state systems account and federal matching money are appropriated to the commissioner for purposes of this section.

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

Sec. 13. **[143.05] RULEMAKING.**

(a) The commissioner may use the procedure in section 14.386, paragraph (a), to adopt rules necessary to implement the responsibilities transferred under this act or through section 16B.37. Section 14.386, paragraph (b), does not apply to these rules.

(b) The commissioner must amend Minnesota Rules to make conforming changes related to the transfer of responsibilities under this act or through section 16B.37. The commissioner must obtain the approval of the commissioners of human services, education, health, and public safety for any amendments to or repeal of rules in existence on the effective date of this section and administered under the authority of those agencies.

(c) The time limit in section 14.125 is extended to 36 months for rulemaking under paragraphs (a) and (b). The commissioner must publish a notice of intent to adopt rules or a notice of hearing within 36 months of the effective date reported under section 143.05, subdivision 1, paragraph (c).

(d) The commissioner may adopt rules for the administration of activities related to the department. Rules adopted under this paragraph are subject to the rulemaking requirements of chapter 14.

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

Sec. 14. Minnesota Statutes 2022, section 256.014, subdivision 1, is amended to read:

Subdivision 1. **Establishment of systems.** (a) The commissioner of human services shall establish and enhance computer systems necessary for the efficient operation of ~~the~~ medical assistance and other programs the commissioner supervises, ~~including:~~

~~(1) management and administration of the Supplemental Nutrition Assistance Program (SNAP) and income maintenance program, including the electronic distribution of benefits;~~

~~(2) management and administration of the child support enforcement program; and~~

~~(3) administration of medical assistance.~~

(b) The commissioner's development costs incurred by computer systems for statewide programs administered by that computer system and mandated by state or federal law must not be assessed against county agencies. The commissioner may charge a county for development and operating costs incurred by computer systems for functions requested by the county and not mandated by state or federal law for programs administered by the computer system incurring the cost.

(c) The commissioner shall distribute the nonfederal share of the costs of operating and maintaining the systems to the commissioner and to the counties participating in the system in a manner that reflects actual system usage, except that the nonfederal share of the costs of the MAXIS computer system ~~and child support enforcement systems~~ for statewide programs administered by ~~those systems~~ that system and mandated by state or federal law shall be borne entirely by the commissioner.

The commissioner may enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to participate in state-operated computer systems related to the management and administration of the ~~SNAP, income maintenance, child support enforcement, and medical assistance programs~~ program to the extent necessary for the tribe to operate ~~a federally approved family~~ the medical assistance program or any other program under the supervision of the commissioner.

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

Sec. 15. Minnesota Statutes 2022, section 256.014, subdivision 2, is amended to read:

Subd. 2. **State systems account created.** A state systems account for the Department of Human Services is created in the state treasury. Money collected by the commissioner of human services for the programs in subdivision 1 must be deposited in the account. Money in the state systems account and federal matching money is appropriated to the commissioner of human services for purposes of this section.

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

Sec. 16. **APPOINTMENT OF COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES.**

The governor shall appoint a commissioner-designee of the Department of Children, Youth, and Families. The person appointed becomes the governor's appointee as the commissioner of children, youth, and families on July 1, 2024.

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

Sec. 17. **TRANSFERS FROM OTHER AGENCIES.**

Subdivision 1. **General.** (a) Between July 1, 2024, and July 1, 2025, the Departments of Human Services, Education, Health, and Public Safety must transition all of the responsibilities held by these departments and described in this section to the Department of Children, Youth, and Families.

(b) Notwithstanding paragraph (a), any programs identified in paragraph (a) that require federal approval to move to the Department of Children, Youth, and Families must be transferred on or after July 1, 2024, and upon the federal government granting transfer authority to the commissioner of children, youth, and families.

(c) The commissioner of children, youth, and families must report an effective date of the transfer of each responsibility identified in this section to the commissioners of administration, management and budget, and other relevant departments along with the secretary of the senate, the chief clerk of the house of representatives, and the chairs and ranking minority members of relevant legislative committees and divisions. The reported date is the effective date of transfer of responsibilities under Minnesota Statutes, section 15.039.

(d) The requirement in Minnesota Statutes, section 16B.37, subdivision 1, that a state agency must have been in existence for at least one year before being eligible for receiving a transfer of personnel, powers, or duties does not apply to the Department of Children, Youth, and Families.

(e) Notwithstanding Minnesota Statutes, section 15.039, subdivision 6, for the transfer of responsibilities conducted under this chapter, the unexpended balance of any appropriation to an agency for the purposes of any responsibilities that are transferred to the Department of Children, Youth, and Families, along with the operational functions to support the responsibilities transferred, including administrative, legal, information technology, and personnel support, and a proportional share of base funding, are reappropriated under the same conditions as the original appropriation to the Department of Children, Youth, and Families effective on the date of the transfer of responsibilities and related elements. The commissioner of management and budget shall identify and allocate any unexpended appropriations and base funding.

(f) The commissioner of children, youth, and families or management and budget may request an extension to transfer any responsibility listed in this section. The commissioner of children, youth, and families or management and budget may request that the transfer of any responsibility listed in this section be canceled if an effective date has not been reported under paragraph (c). Any request under this paragraph must be made in writing to the governor. Upon approval from the governor, the transfer may be delayed or canceled. Within ten days after receiving the approval of the governor, the commissioner who requested the transfer shall submit to the chairs and ranking minority members of relevant legislative committees and divisions a notice of any extensions or cancellations granted under this paragraph.

(g) The commissioner of children, youth, and families must provide four successive quarterly reports to relevant legislative committees on the status of transferring programs, responsibilities, and personnel under this section. The first report must cover the quarter starting July 1, 2024, and each report must be submitted by the 15th of the month following the quarter end.

Subd. 2. **Department of Human Services.** The powers and duties of the Department of Human Services with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:

(1) family services and community-based collaboratives under Minnesota Statutes, section 124D.23;

(2) child care programs under Minnesota Statutes, chapter 119B;

(3) Parent Aware quality rating and improvement system under Minnesota Statutes, section 124D.142;

(4) migrant child care services under Minnesota Statutes, section 256M.50;

(5) early childhood and school-age professional development training under Laws 2007, chapter 147, article 2, section 56;

(6) licensure of family child care and child care centers, child foster care, and private child placing agencies under Minnesota Statutes, chapter 245A;

(7) certification of license-exempt child care centers under Minnesota Statutes, chapter 245H;

(8) program integrity and fraud related to the Child Care Assistance Program (CCAP), the Minnesota Family Investment Program (MFIP), and the Supplemental Nutrition Assistance Program (SNAP) under Minnesota Statutes, chapters 119B and 245E;

(9) SNAP under Minnesota Statutes, sections 256D.61 to 256D.63;

(10) electronic benefit transactions under Minnesota Statutes, sections 256.9862, 256.9863, 256.9865, 256.987, 256.9871, 256.9872, and 256J.77;

(11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;

(12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;

(13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;

(14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;

(15) resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6;

(16) child abuse under Minnesota Statutes, chapter 256E;

(17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 260E;

(18) children in voluntary foster care for treatment under Minnesota Statutes, chapter 260D;

(19) juvenile safety and placement under Minnesota Statutes, chapter 260C;

(20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections 260.751 to 260.835;

(21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515, and the Interstate Compact on the Placement of Children under Minnesota Statutes, sections 260.851 to 260.93;

(22) adoption under Minnesota Statutes, sections 259.20 to 259.89;

(23) Northstar Care for Children under Minnesota Statutes, chapter 256N;

(24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259, 518, 518A, 518C, 551, 552, 571, and 588, and Minnesota Statutes, section 609.375;

(25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32; and

(26) Family Assets for Independence in Minnesota under Minnesota Statutes, section 256E.35.

Subd. 3. **Department of Education.** The powers and duties of the Department of Education with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:

(1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50 to 119A.545;

(2) the early childhood screening program under Minnesota Statutes, sections 121A.16 to 121A.19;

(3) early learning scholarships under Minnesota Statutes, section 124D.165;

(4) the interagency early childhood intervention system under Minnesota Statutes, sections 125A.259 to 125A.48;

(5) voluntary prekindergarten programs and school readiness plus programs under Minnesota Statutes, section 124D.151;

(6) early childhood family education programs under Minnesota Statutes, sections 124D.13 to 124D.135;

(7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; and

(8) after-school community learning programs under Minnesota Statutes, section 124D.2211.

Subd. 4. **Department of Public Safety.** The powers and duties of the Department of Public Safety with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:

(1) the juvenile justice program under Minnesota Statutes, section 299A.72; and

(2) grants-in-aid to youth intervention programs under Minnesota Statutes, section 299A.73.

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

Sec. 18. **TRANSITION REPORT TO THE LEGISLATURE.**

By March 1, 2024, the commissioner of management and budget must report to the legislature on the status of work related to establishing and setting up the Department of Children, Youth, and Families. The report must address, at a minimum:

(1) the completed, ongoing, and anticipated work related to the transfer of programs, responsibilities, and personnel to the department;

(2) the development of interagency agreements for services that will be shared by agencies;

(3) efforts to secure needed federal approvals for the transfer of programs and responsibilities;

(4) regular engagement with leaders and staff of state agencies, county and Tribal governments, and school districts about the creation of the department and the transfer of programs, responsibilities, and personnel to the department;

(5) input from individuals impacted by the programs that are to be transferred to the department and input from local services providers and other stakeholders about how to improve services through the creation of the department; and

(6) plans and timelines related to the items referenced in clauses (1) to (5).

(b) The report must include recommendations for how to coordinate and partner with county and Tribal governments, including through the use of a governing authority, such as an intergovernmental advisory committee. The recommendations must be developed in coordination with county and Tribal governments.

(c) The report must include input from stakeholders and recommendations for improving service coordination and delivery for families with children who have disabilities, including recommendations for coordinating services between state agencies in the areas of child protection, early education, children's mental health, disability services, and other areas relevant to families with children who have disabilities.

Sec. 19. **DATA PRACTICES.**

(a) To the extent not prohibited by state or federal law, and notwithstanding the data's classification under Minnesota Statutes, chapter 13:

(1) the commissioner of children, youth, and families may access data maintained by the commissioners of education, human services, and public safety related to the responsibilities transferred under section 17; and

(2) the commissioners of education, human services, and public safety may access data maintained by the commissioner of children, youth, and families related to each department's respective responsibilities transferred under section 17.

(b) Data sharing authorized by this subdivision includes only the data necessary to coordinate department activities and services transferred under section 17.

(c) Any data shared under this section retain the data's classification from the agency holding the data.

(d) Existing limitations and legal requirements under Minnesota Statutes, chapter 13, including but not limited to any applicable data subject to consent requirements, apply to any data accessed, transferred, disseminated, or shared under this section.

(e) This section expires July 1, 2027.

Sec. 20. **MODERNIZING INFORMATION TECHNOLOGY FOR PROGRAMS IMPACTING CHILDREN AND FAMILIES.**

(a) To the extent there is funding available in the children and families information technology account in the special revenue fund, the commissioner of information technology services shall develop and implement a plan to transform and modernize the information technology systems that support the programs impacting children and families, including youth programs and child care and early learning programs, currently administered by the Departments of Education and Human Services and other departments with programs impacting children and families as identified by the Children's Cabinet. The commissioner may contract for the services contained in this section.

(b) The plan must support the goal of creating new or modernizing existing information technology systems for child- and family-focused programs that collect, analyze, share, and report data on program participation and service coordination and school readiness, early screening, and other childhood indicators. The plan must include strategies to:

(1) minimize the time and effort needed for families to apply for, enroll in, and maintain enrollment in programs;

(2) minimize the time and effort needed for providers to administer programs;

(3) improve coordination among programs for families;

(4) assess the impact of childhood programs on children's outcomes, including school readiness and educational outcomes; and

(5) monitor and collect nonbiometric attendance data at child care centers licensed under Minnesota Rules, chapter 9503, through a combination of state-provided technology and integration with private child care management systems.

(c) In developing and implementing the plan required under this section, the contractor must consult with the commissioners of education and human services and other departments with programs impacting children and families as identified by the Children's Cabinet and other stakeholders.

(d) By February 1 of each year, the commissioner must provide a report to the legislative committees with jurisdiction over impacted programs on the status of the use of money, plan development, and strategy implementation.

Sec. 21. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD CARE AND EARLY EDUCATION PROFESSIONAL WAGE SCALE.

(a) The commissioner of human services shall develop, in consultation with the commissioners of employment and economic development and education, the Children's Cabinet, and relevant stakeholders, a process for recognizing comparable competencies for use in a wage scale and a child care and early education professional wage scale that:

(1) implements the wage scale recommendations made by the Great Start for All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18;

(2) provides recommended wages that are equivalent to elementary school educators with similar credentials and experience;

(3) provides recommended levels of compensation and benefits, such as professional development stipends, health care benefits, and retirement benefits, that vary based on child care and early education professional roles and qualifications and other criteria established by the commissioner;

(4) incorporates, to the extent feasible, qualifications inclusive of competencies attained through experience, training, and educational attainment; and

(5) is applicable to the following types of child care and early education programs:

(i) licensed family and group family child care under Minnesota Rules, chapter 9502;

(ii) licensed child care centers under Minnesota Rules, chapter 9503;

(iii) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;

(iv) voluntary prekindergarten and school readiness plus programs;

(v) school readiness programs;

(vi) early childhood family education programs;

(vii) programs for children who are eligible for Part B or Part C of the Individuals with Disabilities Education Act, Public Law 108-446; and

(viii) Head Start programs.

(b) By January 30, 2025, the commissioner shall report to the legislative committees with jurisdiction over early childhood programs on the development of the wage scale, make recommendations for implementing a process for recognizing comparable competencies, and make recommendations about how the wage scale could be used to inform payment rates for child care assistance under Minnesota Statutes, chapter 119B, and great start scholarships under Minnesota Statutes, section 119C.01.

Sec. 22. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; COST ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.

(a) The commissioner of human services shall develop a cost estimation model for providing early care and learning in the state. In developing the model, the commissioner shall consult with relevant entities and stakeholders, including but not limited to the State Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section 124D.141; county administrators; child care resource and referral organizations under Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing caregivers, teachers, and directors.

(b) The commissioner shall contract with an organization with experience and expertise in early care and learning cost estimation modeling to conduct the work outlined in this section. If practicable, the commissioner shall contract with First Children's Finance.

(c) The commissioner shall ensure that the model can estimate variation in the cost of early care and learning by:

(1) the quality of care;

(2) the geographic area;

(3) the type of child care provider and associated licensing standards;

(4) the age of the child;

(5) whether the early care and learning is inclusive by caring for children with disabilities alongside children without disabilities;

(6) child care provider and staff compensation, including benefits such as professional development stipends, health care benefits, and retirement benefits;

(7) a child care provider's fixed costs, including rent and mortgage payments, property taxes, and business-related insurance payments;

(8) a child care provider's operating expenses, including expenses for training and substitutes; and

(9) a child care provider's hours of operation.

(d) By January 30, 2025, the commissioner shall report to the legislative committees with jurisdiction over early childhood programs on the development of the cost estimation model. The report must include:

(1) recommendations on how the model could be used in conjunction with a child care and early education professional wage scale to set child care provider payment rates for child care assistance under Minnesota Statutes, chapter 119B, and great start scholarships under Minnesota Statutes, section 119C.01; and

(2) a plan to seek federal approval to use the model for child care provider payment rates for child care assistance.

Sec. 23. **REVISOR INSTRUCTION.**

The revisor of statutes must identify, in consultation with the commissioners of management and budget; human services; education; health; and public safety and with nonpartisan legislative offices, any changes to Minnesota Statutes and Minnesota Rules necessary to facilitate the transfer of responsibilities under this act, the authority to fulfill the responsibilities under this act, and the related operational functions needed to implement the necessary legal changes and responsibilities under this act. By February 1, 2024, the revisor of statutes must submit to the chairs and ranking minority members of relevant legislative committees draft legislation with the statutory changes necessary to implement this act.

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

ARTICLE 8
HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>COMMISSIONER OF HUMAN SERVICES</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$1,116,292,000</u>	<u>\$1,126,612,000</u>
<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
General	874,943,000	903,809,000
Federal TANF	202,030,000	207,168,000

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

Subd. 2. **TANF Maintenance of Effort**

(a) **Nonfederal Expenditures.** The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's maintenance of effort requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1. In order to meet these basic TANF maintenance of effort requirements, the commissioner may report as TANF maintenance of effort expenditures only nonfederal money expended for allowable activities listed in the following clauses:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 256J;

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and Tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671;

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674; and

(8) qualifying Head Start expenditures under Minnesota Statutes, section 119A.50.

(b) Nonfederal Expenditures; Reporting. For the activities listed in paragraph (a), clauses (2) to (8), the commissioner may report only expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

(c) Limitations; Exceptions. The commissioner must not claim an amount of TANF maintenance of effort in excess of the 75 percent standard in Code of Federal Regulations, title 45, section 263.1(a)(2), except:

(1) to the extent necessary to meet the 80 percent standard under Code of Federal Regulations, title 45, section 263.1(a)(1), if it is determined by the commissioner that the state will not meet the TANF work participation target rate for the current year;

(2) to provide any additional amounts under Code of Federal Regulations, title 45, section 264.5, that relate to replacement of TANF money due to the operation of TANF penalties; and

(3) to provide any additional amounts that may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess maintenance of effort provisions of Code of Federal Regulations, title 45, section 261.43(a)(2).

(d) **Supplemental Expenditures.** For the purposes of paragraph (c), the commissioner may supplement the maintenance of effort claim with working family credit expenditures or other qualified expenditures to the extent such expenditures are otherwise available after considering the expenditures allowed in this subdivision.

(e) **Reduction of Appropriations; Exception.** The requirement in Minnesota Statutes, section 256.011, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law does not apply if the grants or aids are federal TANF money.

(f) **IT Appropriations Generally.** This appropriation includes money for information technology projects, services, and support. Notwithstanding Minnesota Statutes, section 16E.0466, funding for information technology project costs must be incorporated into the service level agreement and paid to the Minnesota IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

(g) **Receipts for Systems Project.** Appropriations and federal receipts for information technology systems projects for MAXIS, PRISM, MMIS, ISDS, METS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for information technology projects approved by the commissioner of the Minnesota IT Services funded by the legislature and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

(h) **Federal SNAP Education and Training Grants.** Federal funds available during fiscal years 2024 and 2025 for Supplemental Nutrition Assistance Program Education and Training and SNAP Quality Control Performance Bonus grants are appropriated to the commissioner of human services for the purposes allowable under the terms of the federal award. This paragraph is effective the day following final enactment.

Subd. 3. Central Office; Operations

Appropriations by Fund

<u>General</u>	<u>23,867,000</u>	<u>18,283,000</u>
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Base Level Adjustment. The general fund base for this appropriation is \$20,488,000 for fiscal year 2026 and \$18,468,000 for fiscal year 2027.

Subd. 4. Central Office; Children and FamiliesAppropriations by Fund

<u>General</u>	<u>26,864,000</u>	<u>25,244,000</u>
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(a) **Review of Child Support Guidelines.** \$64,000 in fiscal year 2024 and \$32,000 in fiscal year 2025 are for transfer to the special revenue fund for a quadrennial review of child support guidelines.

(b) **Base Level Adjustment.** The general fund base for this appropriation is \$20,753,000 in fiscal year 2026 and \$19,582,000 in fiscal year 2027.

Subd. 5. Central Office; Community SupportsAppropriations by Fund

<u>General</u>	<u>265,000</u>	<u>306,000</u>
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Base Level Adjustment. The general fund base for this appropriation is \$306,000 in fiscal year 2026 and \$306,000 in fiscal year 2027.

Subd. 6. Forecasted Programs; MFIP/DWPAppropriations by Fund

<u>General</u>	<u>82,713,000</u>	<u>92,492,000</u>
<u>Federal TANF</u>	<u>105,579,000</u>	<u>110,717,000</u>

<u>Subd. 7. Forecasted Programs; MFIP Child Care Assistance</u>	<u>38,910,000</u>	<u>146,221,000</u>
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<u>Subd. 8. Forecasted Programs; General Assistance</u>	<u>-0-</u>	<u>321,000</u>
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<u>Subd. 9. Forecasted Programs; Minnesota Supplemental Assistance</u>	<u>1,000</u>	<u>1,000</u>
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<u>Subd. 10. Forecasted Programs; Housing Supports</u>	<u>6,000</u>	<u>6,000</u>
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<u>Subd. 11. Forecasted Programs; Northstar Care for Children</u>	<u>113,912,000</u>	<u>124,546,000</u>
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Subd. 12. Grant Programs; Support Services GrantsAppropriations by Fund

<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>

<u>Subd. 13. Grant Programs; BSF Child Care Grants</u>	<u>118,801,000</u>	<u>118,801,000</u>
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The general fund base is \$149,560,000 in fiscal year 2026 and \$147,007,000 in fiscal year 2027.

<u>Subd. 14. Grant Programs; Child Care Development Grants</u>	<u>119,277,000</u>	<u>125,347,000</u>
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(a) **Great Start Compensation Support Payments.** \$116,740,000 in fiscal year 2024 and \$115,890,000 in fiscal year 2025 are for the great start compensation support payments under Minnesota Statutes, section 119B.27, and the transition grant program for child care providers that intend to participate in the child care retention program. The general fund base for this appropriation is \$77,178,000 in fiscal year 2026 and \$78,198,000 in fiscal year 2027. Money appropriated for this purpose in each fiscal year is available until expended.

(b) **Cost Estimation Model and Wage Scale.** \$500,000 in fiscal year 2024 is for developing a cost estimation model for providing early care and learning and a child care and early education professional wage scale. The commissioner may transfer funds to other state agencies for work related to developing a wage scale. This is a onetime appropriation and is available until June 30, 2025.

(c) **Additional Support for Parent Aware.** \$500,000 in fiscal year 2025 is for increasing supports for programs participating in Parent Aware under Minnesota Statutes, section 124D.142. This is a onetime appropriation.

(d) **Family, Friend, and Neighbor Grant Program.** \$3,500,000 in fiscal year 2025 is for the family, friend, and neighbor grant program under Minnesota Statutes, section 119B.196. This is a onetime appropriation.

(e) **Base Level Adjustment.** The general fund base is \$82,635,000 in fiscal year 2026 and \$83,655,000 in fiscal year 2027.

<u>Subd. 15. Grant Programs; Child Support Enforcement Grants</u>	<u>50,000</u>	<u>50,000</u>
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Subd. 16. **Grant Programs; Children's Services Grants**

Appropriations by Fund

<u>General</u>	<u>82,563,000</u>	<u>95,957,000</u>
<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>

(a) **Title IV-E Adoption Assistance.** The commissioner shall allocate funds from the state's savings from the Fostering Connections to Success and Increasing Adoptions Act's expanded

eligibility for Title IV-E adoption assistance as required in Minnesota Statutes, section 256N.261, and as allowable under federal law. Additional savings to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance is for postadoption, foster care, adoption, and kinship services, including a parent-to-parent support network and as allowable under federal law.

(b) Mille Lacs Band of Ojibwe American Indian Child Welfare Initiative. \$3,337,000 in fiscal year 2024 and \$5,294,000 in fiscal year 2025 are to support activities necessary for the Mille Lacs Band of Ojibwe to join the American Indian child welfare initiative. The general fund base for this appropriation is \$7,893,000 in fiscal year 2026 and \$7,893,000 in fiscal year 2027.

(c) Leech Lake Band of Ojibwe American Indian Child Welfare Initiative. \$1,848,000 in fiscal year 2024 and \$1,848,000 in fiscal year 2025 are for the Leech Lake Band of Ojibwe to participate in the American Indian child welfare initiative.

(d) Red Lake Band of Chippewa American Indian Child Welfare Initiative. \$3,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are for the Red Lake Band of Chippewa to participate in the American Indian child welfare initiative.

(e) White Earth Nation American Indian Child Welfare Initiative. \$824,000 in fiscal year 2024 and \$833,000 in fiscal year 2025 are from the general fund for the White Earth Nation to participate in the American Indian child welfare initiative.

(f) Staffing Increase for Tribal Nations. \$800,000 in fiscal year 2024 and \$800,000 in fiscal year 2025 are for Tribal Nations to expand staff capacity to provide child welfare services.

(g) Indian Child Welfare Grants. \$4,405,000 in fiscal year 2024 and \$4,405,000 in fiscal year 2025 are for Indian child welfare grants. The general fund base for this appropriation is \$4,640,000 in fiscal year 2026 and \$4,640,000 in fiscal year 2027.

(h) Child Welfare Staff Allocation for Tribes. \$480,000 in fiscal year 2024 and \$480,000 in fiscal year 2025 are for staffing needs for Tribes that have not joined the American Indian Child welfare initiative under Minnesota Statutes, section 256.01, subdivision 14b.

(i) Kinship Navigator Services. \$514,000 in fiscal year 2024 and \$514,000 in fiscal year 2025 are for kinship navigator services. The general fund base for this appropriation is \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027.

(j) **Kinship Navigator Services for Tribes.** \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are for grants to Tribal Nations for kinship navigator services.

(k) **Family First Prevention and Early Intervention Allocation Program.** \$6,100,000 in fiscal year 2024 and \$9,800,000 in fiscal year 2025 are for Family First Prevention and Early Intervention Allocation Program pursuant to Minnesota Statutes, section 260.014.

(l) **Grants for Prevention and Early Intervention Services.** \$3,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are for grants to support prevention and early intervention services to implement and build upon Minnesota's Family First Prevention Services Act Title IV-E Prevention Services plan under Minnesota Statutes, section 256.4793. Funds will be transferred into the special revenue fund.

(m) **Assessment of Out-of-Home Placement.** \$450,000 in fiscal year 2024 and \$450,000 in fiscal year 2025 are for grants to one or more grantees to establish and manage a pool of state-funded qualified individuals to assess potential out-of-home placement of a child in a qualified residential treatment program.

(n) **STAY in the Community Grants.** \$1,958,000 in fiscal year 2024 and \$2,095,000 in fiscal year 2025 are for the STAY in the community program under Minnesota Statutes, section 260C.452. These are onetime appropriations and are available until June 30, 2027.

(o) **Support Beyond 21 Program.** \$600,000 in fiscal year 2024 and \$1,200,000 in fiscal year 2025 are for the support beyond 21 program under Minnesota Statutes, section 256.4792. The fiscal year 2024 appropriation is available until June 30, 2025. The general fund base for this appropriation is \$1,200,000 in fiscal year 2026 and \$1,200,000 in fiscal year 2027.

(p) **Grants for Caseload Reduction.** \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for grants to counties and American Indian child welfare initiative Tribes for reducing extended foster care caseload sizes. This is a onetime appropriation and is available until June 30, 2027.

(q) **Grants for Community Resource Centers.** \$5,000,000 in fiscal year 2025 is for community resource centers, under Minnesota Statutes, section 260C.30. This is a onetime appropriation.

(r) **Kinship Care Support Grants.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for kinship care support grants. This is a onetime appropriation.

(s) Family Assets for Independence in Minnesota. \$1,250,000 in fiscal year 2024 and \$2,500,000 in fiscal year 2025 are for the family assets for independence in Minnesota program, under Minnesota Statutes, section 256E.35. The general fund base for this appropriation is \$5,000,000 in fiscal year 2026 and \$5,000,000 in fiscal year 2027.

(t) Base Level Adjustment. The general fund base is \$88,682,000 in fiscal year 2026 and \$88,682,000 in fiscal year 2027.

<u>Subd. 17. Grant Programs; Children and Community Service Grants</u>	<u>60,856,000</u>	<u>60,856,000</u>
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<u>Subd. 18. Grant Programs; Children and Economic Support Grants</u>	<u>247,240,000</u>	<u>86,490,000</u>
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(a) Fraud Prevention Program Grants. \$400,000 in fiscal year 2024 is for start-up grants to the Red Lake Nation, White Earth Nation, and Mille Lacs Band of Ojibwe to develop a fraud prevention program. This is a onetime appropriation and is available until June 30, 2025.

(b) Emergency Services Program Grants. \$20,000,000 in fiscal year 2024 and \$20,000,000 in fiscal year 2025 are for emergency services grants under Minnesota Statutes, section 256E.36. Grant allocation balances in the first year do not cancel but are available in the second year of the biennium. The general fund base for this appropriation is \$35,000,000 in fiscal year 2026 and \$35,000,000 in fiscal year 2027.

(c) Homeless Youth Act Grants. \$14,500,000 in fiscal year 2024 and \$12,500,000 in fiscal year 2025 are for grants under Minnesota Statutes, section 256K.45, subdivision 1. The fiscal year 2024 appropriation is available until June 30, 2027. The general fund base for this appropriation is \$20,000,000 in fiscal year 2026 and \$20,000,000 in fiscal year 2027.

(d) Transitional Housing Programs. \$3,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are for transitional housing programs under Minnesota Statutes, section 256E.33.

(e) Safe Harbor Shelter and Housing Grants. \$3,250,000 in fiscal year 2024 and \$3,250,000 in fiscal year 2025 are for grants under Minnesota Statutes, section 256K.47.

(f) Emergency Shelter Facilities. \$150,000,000 in fiscal year 2024 is for grants to eligible applicants for the acquisition of property; site preparation, including demolition; predesign; design; construction; renovation; furnishing; and equipping of emergency shelter facilities. This is a onetime appropriation and is available until June 30, 2028.

(g) **Homeless Youth Pilot Project.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for a grant to Youthprise for a pilot project to provide cash stipends to homeless youth, youth-designed optional services, and cash incentives for participation in periodic surveys and to complete a legislative report.

(h) **Quality Parenting Initiative.** \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for a grant to Quality Parenting Initiative Minnesota to implement quality parenting initiative principles and practices and support children and families experiencing foster care placements.

(i) **American Indian Food Sovereignty Funding.** \$3,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are to support food security among Tribal Nations and American Indian communities under Minnesota Statutes, section 256E.341. The fiscal year 2024 appropriation is available until June 30, 2025. The general fund base for this appropriation is \$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027.

(j) **Food Shelf Program.** \$6,000,000 in fiscal year 2024 and \$6,000,000 in fiscal year 2025 are for the Minnesota food shelf program under Minnesota Statutes, section 256E.34. The fiscal year 2024 appropriation is available until June 30, 2025.

(k) **Capital for Emergency Food Distribution Facilities.** \$10,000,000 in fiscal year 2024 is for improving and expanding the infrastructure of food shelf facilities across the state. Grant money shall be made available to nonprofit organizations, federally recognized Tribes, and local units of government. This is a onetime appropriation and is available until June 30, 2027.

(l) **Community Action Grants.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for community action grants.

(m) **Diaper Distribution Grant.** \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for a grant to the Diaper Bank of Minnesota to distribute diapers and wipes to underresourced families statewide.

(n) **Base Level Adjustment.** The general fund base is \$108,490,000 in fiscal year 2026 and \$108,490,000 in fiscal year 2027.

Sec. 3. COMMISSIONER OF HEALTH

\$2,000,000

\$2,000,000

Health Improvement. \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for regional navigators in the Safe Harbor program. This is a onetime appropriation.

Sec. 4. <u>COMMISSIONER OF MANAGEMENT AND BUDGET</u>	<u>\$11,931,000</u>	<u>\$2,066,000</u>
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Support for New Department. \$11,931,000 in fiscal year 2024 and \$2,066,000 in fiscal year 2025 are for supporting the creation of the Department of Children, Youth, and Families. This is a onetime appropriation.

Sec. 5. <u>COMMISSIONER OF INFORMATION TECHNOLOGY</u>	<u>\$25,000,000</u>	<u>\$-0-</u>
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IT Systems Improvement. \$25,000,000 in fiscal year 2024 is for transfer to the children and families account in the special revenue fund to develop and implement a plan to modernize the IT systems that support programs for children and families. This is a onetime appropriation and does not cancel.

Sec. 6. <u>COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES.</u>	<u>\$823,000</u>	<u>\$3,531,000</u>
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Operations. \$823,000 in fiscal year 2024 and \$3,521,000 in fiscal year 2025 are for the Department of Children, Youth, and Families.

Sec. 7. <u>OMBUDSPERSON FOR AMERICAN INDIAN FAMILIES</u>	<u>\$336,000</u>	<u>\$340,000</u>
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Sec. 8. <u>OMBUDSPERSON FOR FAMILIES</u>	<u>\$759,000</u>	<u>\$776,000</u>
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Sec. 9. <u>OMBUDSPERSON FOR FOSTER YOUTH</u>	<u>\$842,000</u>	<u>\$759,000</u>
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Sec. 10. **CHILDREN AND FAMILIES INFORMATION TECHNOLOGY ACCOUNT.**

The children and families information technology account is created in the special revenue fund. Money in the account is appropriated to the commissioner of information technology services for developing and implementing a plan in support of transforming and modernizing the information technology systems that support programs impacting children and families, including programs for youth, child care and early learning programs, and programs serving young children.

Sec. 11. **CANCELLATIONS; FISCAL YEAR 2023.**

\$100,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter 63, section 6, is canceled to the general fund on June 30, 2023.

Sec. 12. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

ARTICLE 9
EDUCATION

Section 1. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Grow Your Own.** (a) For grants to develop, continue, or expand Grow Your Own programs under Minnesota Statutes, section 122A.731:

<u>\$3,000,000</u>	.....	<u>2024</u>
<u>\$3,000,000</u>	.....	<u>2025</u>

(b) This is a onetime appropriation and is subject to the requirements under Minnesota Statutes, section 122A.731, subdivision 4.

Subd. 3. **Early childhood teacher shortage.** (a) For grants to Minnesota institutions of higher education to address the early childhood education teacher shortage:

<u>\$490,000</u>	.....	<u>2024</u>
<u>\$490,000</u>	.....	<u>2025</u>

(b) Grant money may be used to provide tuition and other supports to students.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) This is a onetime appropriation.

Subd. 4. **School readiness.** (a) For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

<u>\$33,683,000</u>	.....	<u>2024</u>
<u>\$33,683,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$3,368,000 for 2023 and \$30,315,000 for 2024.

(c) The 2025 appropriation includes \$3,368,000 for 2024 and \$30,315,000 for 2025.

Subd. 5. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

<u>\$203,622,000</u>	.....	<u>2024</u>
<u>\$203,623,000</u>	.....	<u>2025</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

(c) The base for fiscal year 2026 is \$110,048,000 and the base for fiscal year 2027 is \$110,048,000.

Subd. 6. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

<u>\$25,100,000</u>	.....	<u>2024</u>
<u>\$25,100,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. Head Start infrastructure. (a) For facilities grants to Head Start agencies for the purposes of improving services, expanding services, and serving additional low-income children:

<u>\$10,000,000</u>	.....	<u>2024</u>
<u>\$-0-</u>	.....	<u>2025</u>

(b) Head Start agencies may apply for the grants established under this subdivision in a form and manner prescribed by the commissioner. The commissioner must establish criteria and a process for awarding the grants that consider the number of eligible children in an applicant's service area that are not currently being served and prioritize, to the extent possible, geographic balance and program diversity among grant recipients.

(c) This is a onetime appropriation and is available until June 30, 2027.

Subd. 8. Early childhood family education aid. (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

<u>\$37,497,000</u>	.....	<u>2024</u>
<u>\$39,108,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$3,518,000 for 2023 and \$33,979,000 for 2024.

(c) The 2025 appropriation includes \$3,775,000 for 2024 and \$35,333,000 for 2025.

Subd. 9. Early childhood family education support staff. (a) For the purposes described under Minnesota Statutes, section 124D.13, subdivision 12a:

<u>\$500,000</u>	.....	<u>2024</u>
<u>\$500,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. Developmental screening aid. (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<u>\$4,350,000</u>	.....	<u>2024</u>
<u>\$4,375,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$349,000 for 2023 and \$4,001,000 for 2024.

(c) The 2025 appropriation includes \$445,000 for 2024 and \$3,930,000 for 2025.

Subd. 11. Administrative costs for developmental screening. (a) For the administrative costs associated with developmental screening under Minnesota Statutes, sections 121A.17 and 121A.19:

<u>\$127,000</u>	.....	<u>2024</u>
<u>\$77,000</u>	.....	<u>2025</u>

(b) The base in fiscal year 2026 and beyond is \$77,000.

Subd. 12. ParentChild+ program. (a) For a grant to the ParentChild+ program:

<u>\$1,800,000</u>	.....	<u>2024</u>
<u>\$1,800,000</u>	.....	<u>2025</u>

(b) The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2024 and 2025.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2026 and later is \$900,000.

Subd. 13. **Kindergarten entry assessment.** (a) For the kindergarten entry assessment under Minnesota Statutes, section 124D.162:

<u>\$1,049,000</u>	.....	<u>2024</u>
<u>\$2,037,000</u>	.....	<u>2025</u>

(b) The base for fiscal year 2026 is \$2,357,000 and the base for fiscal year 2027 is \$1,743,000.

Subd. 14. **Quality rating and improvement system.** (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

<u>\$1,750,000</u>	.....	<u>2024</u>
<u>\$1,750,000</u>	.....	<u>2025</u>

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

Subd. 15. **Children's savings accounts start-up grants.** (a) For a grant to Youthprise to implement and administer a pilot program to award grants to entities to start up new, local child savings account programs:

<u>\$500,000</u>	.....	<u>2024</u>
<u>\$0</u>	.....	<u>2025</u>

(b) Youthprise must allocate at least \$400,000 of this appropriation for grants to entities in up to four locations in the state to start up new, local child savings account programs. To the extent possible, Youthprise must award grants in urban, rural, suburban, and Tribal settings.

(c) By December 1, 2025, Youthprise must report on the status and any outcomes of the pilot project to the Department of Education and relevant committees of the legislature.

(d) The appropriation is available through June 30, 2025.

Subd. 16. **Early childhood programs at Tribal contract schools.** (a) For early childhood family education programs at Tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

<u>\$68,000</u>	.....	<u>2024</u>
<u>\$68,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 17. **Educate parents partnership.** (a) For the educate parents partnership under Minnesota Statutes, section 124D.129:

<u>\$49,000</u>	.....	<u>2024</u>
<u>\$49,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 18. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

<u>\$391,000</u>	.....	<u>2024</u>
<u>\$309,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$41,000 for 2023 and \$350,000 for 2024.

(c) The 2025 appropriation includes \$38,000 for 2024 and \$271,000 for 2025.

Subd. 19. **Learning with Music program.** (a) For a grant to the MacPhail Center for Music to expand the Learning with Music program:

<u>\$250,000</u>	.....	<u>2024</u>
<u>\$250,000</u>	.....	<u>2025</u>

(b) The MacPhail Center for Music must use the grant money received under this subdivision to:

(1) expand direct programming to four early childhood center locations in each year of the grant, with a focus on meeting the needs of children experiencing economic hardship in the Twin Cities metropolitan area; and

(2) create and deliver professional development training opportunities to early childhood educators statewide, both online and in person, that are based on current successful elements of the Learning with Music program.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2026 is \$0.

Subd. 20. **Way to Grow.** (a) For a grant to Way to Grow:

<u>\$150,000</u>	.....	<u>2024</u>
<u>\$150,000</u>	.....	<u>2025</u>

(b) Way to Grow must use the grant money to extend its home visiting services, including family support services, health and wellness education, and learning support to more families with children from birth to age eight.

(c) This is a onetime appropriation.

Subd. 21. **Reach Out and Read Minnesota.** (a) For a grant to Reach Out and Read Minnesota to establish a statewide plan that encourages early childhood development through a network of health care clinics:

<u>\$250,000</u>	.....	<u>2024</u>
<u>\$250,000</u>	.....	<u>2025</u>

(b) The grant recipient must develop and implement a plan that includes:

(1) integrating children's books and parent education into well-child visits;

(2) creating literacy-rich environments at health care clinics by providing books to clinics for visits outside of Reach Out and Read Minnesota parameters, for waiting room use, or for volunteer readers to model read-aloud techniques for parents where possible;

(3) working with public health clinics, federally qualified health centers, Tribal sites, community health centers, and clinics that belong to health care systems, as well as independent clinics in underserved areas; and

(4) training medical professionals on discussing the importance of early literacy with parents of infants, toddlers, and preschoolers.

(c) The grant recipient must fully implement the plan on a statewide basis by 2030.

Subd. 22. **Executive function across generations curriculum grant.** (a) For a grant to the family partnership for an executive function curriculum pilot program:

<u>\$300,000</u>	<u>.....</u>	<u>2024</u>
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(b) The family partnership must establish six sites across Minnesota to provide executive function across generations curriculum. The sites must be spread across the state and include rural, suburban, and urban early education and care providers, organizations providing home visiting services, or parenting groups in high-risk communities. The family partnership must report to the legislature by December 15, 2024, and December 15, 2025, on the progress made to expand the executive function curriculum across Minnesota.

(c) This appropriation is available until June 30, 2025.

Subd. 23. **Metro Deaf School.** (a) For a grant to Metro Deaf School to provide services to young children who have a primary disability of deaf, deafblind, or hard-of-hearing and who are not eligible for funding under Minnesota Statutes, section 124E.11, paragraph (h):

<u>\$100,000</u>	<u>.....</u>	<u>2024</u>
<u>\$100,000</u>	<u>.....</u>	<u>2025</u>

(b) This is a onetime appropriation.

Subd. 24. **VPK administrative costs.** For administrative and IT costs associated with the voluntary prekindergarten program under Minnesota Statutes, section 124D.151:

<u>\$691,000</u>	<u>.....</u>	<u>2024</u>
<u>\$691,000</u>	<u>.....</u>	<u>2025</u>

Sec. 2. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated.

Subd. 2. **Definition of teacher.** (a) For costs related to modifying teaching assignments for early childhood educators:

<u>\$15,000</u>	<u>.....</u>	<u>2024</u>
<u>\$-0-</u>	<u>.....</u>	<u>2025</u>

(b) This is a onetime appropriation.

Sec. 3. **APPROPRIATION; EARLY CHILDHOOD CURRICULUM GRANTS.**

(a) \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of the Office of Higher Education for competitive grants to Minnesota postsecondary institutions. The grants must be used to improve the curricula of the recipient institution's early childhood education programs by incorporating or conforming to the Minnesota knowledge and competency frameworks for early child professionals. This is a onetime appropriation.

(b) By December 1, 2024, and again by December 1, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over early childhood through grade 12 education and higher education finance and policy reporting on grants awarded under this section. The report must include the following information for the previous fiscal year:

(1) the number of grant applications received;

(2) the criteria applied by the commissioner for evaluating applications;

(3) the number of grants awarded, grant recipients, and amounts awarded;

(4) early childhood education curricular reforms proposed by each recipient institution;

(5) grant outcomes for each recipient institution;

(6) an evaluation of the grant program, its successes and challenges, and recommendations to the legislature regarding the program; and

(7) other information identified by the commissioner as outcome indicators.

(c) The commissioner may use no more than three percent of the appropriation under this section to administer the grant program.

Sec. 4. Minnesota Statutes 2022, section 119A.52, is amended to read:

119A.52 DISTRIBUTION OF APPROPRIATION.

(a) The commissioner of education must distribute money appropriated for that purpose to federally designated Head Start programs to expand services and to serve additional low-income children. ~~Migrant and Indian reservation programs must be initially allocated money based on the programs' share of federal funds, which may include costs associated with program operations, infrastructure, or reconfiguration to serve children from birth to age five in center-based services.~~ The distribution must occur in the following order: (1) 10.72 percent of the total Head Start appropriation must be initially allocated to federally designated Tribal Head Start programs; (2) the Tribal Head Start portion of the appropriation must be initially allocated to Tribal Head Start programs based on the programs' share of federal funds; and (3) migrant programs must be initially allocated funding based on the programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start program must be funded at a per child rate equal to its contracted, federally funded base level at the start of the fiscal year. For all agencies without a federal Early Head Start rate, the state average federal cost per child for Early Head Start applies. In allocating funds under this paragraph, the commissioner of education must assure that each Head Start program in existence in 1993 is allocated no less funding in any fiscal year than was allocated to that program in fiscal year 1993. Before paying money to the programs, the commissioner must notify each program of its initial allocation and how the money must be used. Each program must present a plan under section 119A.535. For any program that cannot utilize its full allocation at the beginning of the fiscal year, the commissioner must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible programs.

(b) The commissioner must develop procedures to make payments to programs based upon the number of children reported to be enrolled during the required time period of program operations. Enrollment is defined by federal Head Start regulations. The procedures must include a reporting schedule, corrective action plan requirements, and financial consequences to be imposed on programs that do not meet full enrollment after the period of corrective action. Programs reporting chronic underenrollment, as defined by the commissioner, will have their subsequent program year allocation reduced proportionately. Funds made available by prorating payments and allocations to programs with reported underenrollment will be made available to the extent funds exist to fully enrolled Head Start programs through a form and manner prescribed by the department.

(c) Programs with approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters and transitional housing, are exempt from the procedures in paragraph (b). This exemption does not apply to entire programs. The exemption applies only to approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters, transitional housing, and permanent supportive housing.

Sec. 5. Minnesota Statutes 2022, section 121A.17, subdivision 3, is amended to read:

Subd. 3. **Screening program.** (a) A screening program must include at least the following components: developmental assessments, including virtual developmental screening for families who make the request based on their immunocompromised health status or other health conditions, hearing and vision screening or referral, immunization review and referral, the child's height and weight, the date of the child's most recent comprehensive vision examination, if any, identification of risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. The district and the person performing or supervising the screening must provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice must state "Early childhood developmental screening helps a school district identify children who may benefit from district and community resources available to help in their development. Early childhood developmental screening includes a vision screening that helps detect potential eye problems but is not a substitute for a comprehensive eye exam." The notice must clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the district and the person performing or supervising the screening must convey the information in another manner. The notice must also inform the parent or guardian that a child need not submit to the district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice must be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and must be given again at the screening location.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. A developmental screening program must not provide laboratory tests or a physical examination to any child. The district must request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled screening. For the purposes of this section, "comprehensive vision examination" means a vision examination performed by an optometrist or ophthalmologist.

(c) If a child is without health coverage, the school district must refer the child to an appropriate health care provider.

(d) A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

(e) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

Sec. 6. Minnesota Statutes 2022, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$75~~ \$98 for a child screened at age three; (2) ~~\$50~~ \$65 for a child screened at age four; (3) ~~\$40~~ \$52 for a child screened at age five or six prior to kindergarten; and (4) ~~\$30~~ \$39 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 7. **[122A.261] PREKINDERGARTEN, SCHOOL READINESS, PRESCHOOL, AND EARLY EDUCATION PROGRAMS; LICENSURE REQUIREMENT.**

Subdivision 1. **Licensure requirement.** A school district or charter school must employ a qualified teacher, as defined in section 122A.16, to provide instruction in a preschool, school readiness, school readiness plus, or prekindergarten program or other school district or charter school-based early education program.

Subd. 2. **Exemptions.** Any teacher who has taught in a preschool, school readiness, school readiness plus, or prekindergarten program, or other early learning program for at least five years prior to September 1, 2028, may continue to teach without obtaining a license. Notwithstanding this exemption from the licensure requirement, these individuals are teachers under section 179A.03, subdivision 18.

EFFECTIVE DATE. This section is effective July 1, 2028.

Sec. 8. **[122A.731] GRANTS FOR GROW YOUR OWN EARLY CHILDHOOD EDUCATOR PROGRAMS.**

Subdivision 1. **Establishment.** The commissioner of education must award grants for Grow Your Own Early Childhood Educator programs established under this section in order to develop an early childhood education workforce that more closely reflects the state's increasingly diverse student population and ensures all students have equitable access to high-quality early educators.

Subd. 2. **Grow Your Own Early Childhood Educator programs.** (a) Minnesota-licensed family child care or licensed center-based child care programs, school district or charter school early learning programs, Head Start programs, institutions of higher education, and other community partnership nongovernmental organizations may apply for a grant to host, build, or expand an early childhood educator preparation program that leads to an individual earning the credential or degree needed to enter or advance in the early childhood education workforce. Examples include programs that help interested individuals earn the child development associate (CDA) credential, an associate's degree in child development, or a bachelor's degree in early childhood studies or early childhood licensures. The grant recipient must use at least 80 percent of grant money for student stipends, tuition scholarships, or unique student teaching or field placement experiences.

(b) Programs providing financial support to interested individuals may require a commitment from the individuals awarded, as determined by the commissioner, to teach in the program or school for a reasonable amount of time that does not exceed one year.

Subd. 3. **Grant procedure.** (a) Eligible programs must apply for a grant under this section in the form and manner specified by the commissioner. To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between applicants in greater Minnesota and those in the metropolitan area.

(b) For the 2023-2024 school year and later, grant applications for new and existing programs must be received by the commissioner no later than January 15 of the year prior to the school year in which the grant will be used. The commissioner must review all applications and notify grant recipients by March 15 or as soon as practicable of the anticipated amount awarded. If the commissioner determines that sufficient funding is unavailable for the grants, the commissioner must notify grant applicants by June 30 or as soon as practicable that there is insufficient money.

Subd. 4. **Grow Your Own Early Childhood Education program account.** (a) The Grow Your Own Early Childhood Education program account is established in the special revenue fund.

(b) Money appropriated for the Grow Your Own Early Childhood Education program under this section must be transferred to the Grow Your Own Early Childhood Education program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the Grow Your Own Early Childhood Education program under this section. Any returned money is available to be regranted. Grant recipients may apply to use grant money over a period of up to 60 months.

(d) Up to \$175,000 annually is appropriated to the commissioner for costs associated with administering and monitoring the program under this section.

Subd. 5. **Report.** Grant recipients must annually report to the commissioner in the form and manner determined by the commissioner on their activities under this section, including the number of educators supported through grant money and the number of educators obtaining credentials by type. Data must indicate the beginning level of education and ending level of education of individual participants and an assessment of program effectiveness, including participant feedback, areas for improvement, and employment changes and current employment status, where applicable, after completing preparation programs. The commissioner must publish a report for the public that summarizes the activities and outcomes of grant recipients and what was done to promote sharing of effective practices among grant recipients and potential grant applicants.

Sec. 9. Minnesota Statutes 2022, section 124D.13, is amended by adding a subdivision to read:

Subd. 12a. **Support staff.** (a) The department must employ two full-time equivalent staff to serve as resources for programs described in this section. The staff persons must provide operational support and guidance to programs, including but not limited to providing professional development and education support, assisting with marketing and outreach, and facilitating collaborations with public and private organizations serving families.

(b) Each staff person described in this subdivision must hold a valid license as a teacher of parent and family education.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 10. Minnesota Statutes 2022, section 124D.141, subdivision 2, is amended to read:

Subd. 2. **Additional duties.** The following duties are added to those assigned to the council under federal law:

(1) make recommendations on the most efficient and effective way to leverage state and federal funding streams for early childhood and child care programs;

~~(2) make recommendations on how to coordinate or colocate early childhood and child care programs in one state Office of Early Learning. The council shall establish a task force to develop these recommendations. The task force shall include two nonexecutive branch or nonlegislative branch representatives from the council; six representatives from the early childhood caucus; two representatives each from the Departments of Education, Human Services, and Health; one representative each from a local public health agency, a local county human services agency, and a school district; and two representatives from the private nonprofit organizations that support early childhood programs in Minnesota. In developing recommendations in coordination with existing efforts of the council, the task force shall consider how to:~~

~~(i) consolidate and coordinate resources and public funding streams for early childhood education and child care, and ensure the accountability and coordinated development of all early childhood education and child care services to children from birth to kindergarten entrance;~~

~~(ii) create a seamless transition from early childhood programs to kindergarten;~~

~~(iii) encourage family choice by ensuring a mixed system of high quality public and private programs, with local points of entry, staffed by well qualified professionals;~~

~~(iv) ensure parents a decisive role in the planning, operation, and evaluation of programs that aid families in the care of children;~~

~~(v) provide consumer education and accessibility to early childhood education and child care resources;~~

~~(vi) advance the quality of early childhood education and child care programs in order to support the healthy development of children and preparation for their success in school;~~

~~(vii) develop a seamless service delivery system with local points of entry for early childhood education and child care programs administered by local, state, and federal agencies;~~

~~(viii) ensure effective collaboration between state and local child welfare programs and early childhood mental health programs and the Office of Early Learning;~~

~~(ix) develop and manage an effective data collection system to support the necessary functions of a coordinated system of early childhood education and child care in order to enable accurate evaluation of its impact;~~

~~(x) respect and be sensitive to family values and cultural heritage; and~~

~~(xi) establish the administrative framework for and promote the development of early childhood education and child care services in order to provide that these services, staffed by well qualified professionals, are available in every community for all families that express a need for them.~~

~~In addition, the task force must consider the following responsibilities for transfer to the Office of Early Learning:~~

~~(A) responsibilities of the commissioner of education for early childhood education programs and financing under sections 119A.50 to 119A.535, 121A.16 to 121A.19, and 124D.129 to 124D.2211;~~

~~(B) responsibilities of the commissioner of human services for child care assistance, child care development, and early childhood learning and child protection facilities programs and financing under chapter 119B and section 256E.37; and~~

~~(C) responsibilities of the commissioner of health for family home visiting programs and financing under section 145A.17.~~

~~Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations. The council must report its recommendations to the governor and the legislature by January 15, 2011;~~

~~(3) (2) review program evaluations regarding high-quality early childhood programs;~~

~~(4) (3) make recommendations to the governor and legislature, including proposed legislation on how to most effectively create a high-quality early childhood system in Minnesota in order to improve the educational outcomes of children so that all children are school ready by 2020 have the opportunities and experiences to support a successful transition to kindergarten; and~~

~~(5) make recommendations to the governor and the legislature by March 1, 2011, on the creation and implementation of a statewide school readiness report card to monitor progress toward the goal of having all children ready for kindergarten by the year 2020. The recommendations shall include what should be measured including both children and system indicators, what benchmarks should be established to measure state progress toward the goal, and how frequently the report card should be published. In making their recommendations, the council shall consider the indicators and strategies for Minnesota's early childhood system report, the Minnesota school readiness study, developmental assessment at kindergarten entrance, and the work of the council's accountability committee. Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations; and~~

~~(6) make recommendations to the governor and the legislature on how to screen earlier and comprehensively assess children for school readiness in order to provide increased early interventions and increase the number of children ready for kindergarten. In formulating their recommendations, the council shall consider (i) ways to interface with parents of children who are not participating in early childhood education or care programs, (ii) ways to interface with family child care providers, child care centers, and school-based early childhood and Head Start programs, (iii) if there are age appropriate and culturally sensitive screening and assessment tools for three, four, and five year olds, (iv) the role of the medical community in screening, (v) incentives for parents to have children screened at an earlier age, (vi) incentives for early education and care providers to comprehensively assess children in order to improve instructional practice, (vii) how to phase in increases in screening and assessment over time, (viii) how the screening and assessment data will be collected and used and who will have access to the data, (ix) how to monitor progress toward the goal of having 50 percent of three year old children screened and 50 percent of entering kindergarteners assessed for school readiness by 2015 and 100 percent of three year old children screened and entering kindergarteners assessed for school readiness by 2020, and (x) costs to meet these benchmarks. The council shall consider the screening instruments and comprehensive assessment tools used in Minnesota early childhood education and care programs and kindergarten. The council may survey early childhood education and care programs in the state to determine the screening and assessment tools being used or rely on previously collected survey data, if available. For purposes of this subdivision, "school readiness" is defined as the child's skills, knowledge, and behaviors at kindergarten entrance in these areas of child development: social; self regulation; cognitive, including language, literacy, and mathematical thinking; and physical. For purposes of this subdivision, "screening" is defined as the activities used to identify a child who may need further evaluation to determine delay in development or disability. For purposes of this subdivision, "assessment" is defined as the activities used to determine a child's level of performance in order to promote the child's learning and development. Work on this duty will begin in fiscal year 2012. Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations. The council must report its recommendations to the governor and legislature by January 15, 2013, with an interim report on February 15, 2011.~~

(4) review and provide input on the recommendations and implementation timelines developed by the Great Start For All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18, subdivision 2.

Sec. 11. Minnesota Statutes 2022, section 124D.162, is amended to read:

124D.162 KINDERGARTEN ~~READINESS~~ ENTRY ASSESSMENT.

Subdivision 1. **Assessment required.** The commissioner of education ~~may~~ must implement a kindergarten ~~readiness entry assessment representative of incoming kindergartners to identify the percent of kindergartners who meet or exceed end-of-year prekindergarten early learning standards. The assessment must be based on the Department of Education Kindergarten Readiness Assessment at kindergarten entrance study.~~

Subd. 2. **Process.** (a) School districts and charter schools must choose a kindergarten entry assessment tool from a menu of valid and reliable measurement instruments approved by the department that:

(1) are aligned to the state early childhood indicators of progress and kindergarten standards and are based on the criteria to be an early learning assessment approved by the department;

(2) support the world's best workforce goals in section 120B.11, subdivision 1, paragraph (c); and

(3) are based, in part, on information collected from teachers, early learning professionals, families, and other partners.

(b) The department must provide technical assistance and professional development related to the assessment required under this section to educators, school districts, and charter schools.

Subd. 3. **Reporting.** School districts and charter schools must annually report the results of kindergarten entry assessments to the department in a form and manner determined by the commissioner that is concurrent with a district's and charter school's world's best workforce report under section 120B.11, subdivision 5. The commissioner must publicly report kindergarten readiness results as part of the performance reports required under section 120B.36 and in a manner consistent with section 120B.35, subdivision 3, paragraph (a), clause (2).

Subd. 4. **Implementation.** The requirements under this section must be phased in over three school years with all school districts and charter schools complying beginning with the 2025-2026 school year.

Sec. 12. Minnesota Statutes 2022, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must have an eligible child and meet at least one of the following eligibility requirements:

(1) have an eligible child; and

(2) (1) have income equal to or less than ~~185 percent of federal poverty level income~~ the at-application rate specified in section 119B.09, subdivision 1, paragraph (a), clause (2), in the current calendar year; or;

(2) be able to document their child's current participation in the free and reduced-price ~~lunch meal~~ program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or ~~placement~~

(3) have a child referred as in need of child protection services or placed in foster care under section 260C.212.

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

~~(1) at least three but not yet five years of age on September 1 of the current school year;~~

~~(2) a sibling from birth to age five of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;~~

~~(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; or~~

~~(4) homeless, in foster care, or in need of child protective services.~~

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

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

Sec. 13. Minnesota Statutes 2022, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who:

(1) are not yet four years of age;

~~(2) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;~~

~~(3) are in foster care or otherwise;~~

~~(4) have been referred as in need of child protection or services; or~~

(5) have an incarcerated parent;

(6) have a parent in a substance use treatment program;

(7) have a parent in a mental health treatment program;

(8) have experienced domestic violence; or

(3) (9) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

(b) The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) (c) The commissioner shall establish a ~~target for the average scholarship amount per child~~ schedule of tiered per-child scholarship amounts based on the results of the rate survey conducted under section 119B.02, subdivision 7, the cost of providing high-quality early care and learning to children in varying circumstances, a family's income, and geographic location. For programs that earn a four-star rating under section 124D.142, amounts must be no less than the cost to provide full-time care at the 75th percentile of the most recent market rate survey.

(e) (d) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) (e) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ~~ten~~ three months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. An extension may be requested if a program is unavailable for the child within the three-month timeline. A child may not be awarded more than one scholarship in a 12-month period.

(e) (f) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program or within 90 days after the child's third birthday if awarded a scholarship under the age of three.

(f) (g) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

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

Sec. 14. Minnesota Statutes 2022, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an early learning scholarship, a program must:

(1) participate in the quality rating and improvement system under section 124D.142; ~~and,~~

(2) ~~beginning July 1, 2024, have a three- or four-star rating in the quality rating and improvement system.~~

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

Sec. 15. Minnesota Statutes 2022, section 124D.165, subdivision 6, is amended to read:

Subd. 6. **Early learning scholarship account.** (a) An account is established in the special revenue fund known as the "early learning scholarship account."

(b) Funds appropriated for early learning scholarships under this section must be transferred to the early learning scholarship account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for early learning scholarships under this section. Any returned funds are available to be regranted.

(d) Up to ~~\$950,000~~ \$2,133,000 annually is appropriated to the commissioner for costs associated with administering and monitoring early learning scholarships.

(e) The commissioner may use funds under paragraph (c) for the purpose of family outreach and distribution of scholarships.

Sec. 16. Minnesota Statutes 2022, section 125A.13, is amended to read:

125A.13 SCHOOL OF PARENTS' CHOICE.

(a) Nothing in this chapter must be construed as preventing parents of a child with a disability from sending the child to a school of their choice, if they so elect, subject to admission standards and policies adopted according to sections 125A.62 to 125A.64 and 125A.66 to 125A.73, and all other provisions of chapters 120A to 129C.

(b) The parent of a student with a disability not yet enrolled in kindergarten and not open enrolled in a nonresident district may ~~request that the resident district enter into a tuition agreement with~~ elect, in the same manner as the parent of a resident student with a disability, a school in the nonresident district ~~if~~:

~~(1) where~~ (1) where the child is enrolled in a Head Start program or a licensed child care setting in the nonresident district; ~~and, provided~~

~~(2) the child can be served in the same setting as other children in the nonresident district with the same level of disability.~~

Sec. 17. Minnesota Statutes 2022, section 179A.03, subdivision 18, is amended to read:

Subd. 18. **Teacher.** "Teacher" means any public employee other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisory or confidential employee, employed by a school district:

(1) in a position for which the person must be licensed by the Professional Educator Licensing and Standards Board or the commissioner of education; ~~or~~

(2) in a position as a physical therapist, occupational therapist, art therapist, music therapist, or audiologist; ~~or~~

(3) in a position providing instruction to children in a preschool, school readiness, school readiness plus, or prekindergarten program or other school district or charter school-based early education program, except that an employee in a bargaining unit certified before January 1, 2023, may remain in a bargaining unit that does not include teachers unless an exclusive representative files a petition for a unit clarification or to transfer exclusive representative status.

Sec. 18. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation or transfer in this article is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once."

Delete the title and insert:

"A bill for an act relating to children; modifying provisions on child care, child safety and permanency, child support, licensing, economic assistance, and homelessness; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 119A.52; 119B.011, subdivisions 2, 3, 5, 13, 15, 19a; 119B.02, subdivision 4; 119B.025, subdivision 4; 119B.03, subdivisions 3, 4, 4a; 119B.05, subdivision 1; 119B.09, subdivision 7; 119B.095, subdivisions 2, 3; 119B.10, subdivisions 1, 3; 119B.105, subdivision 2; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions 1, 4, 6; 119B.16, subdivisions 1a, 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision 7; 121A.17, subdivision 3; 121A.19; 124D.13, by adding a subdivision; 124D.141, subdivision 2; 124D.142, subdivision 2; 124D.162; 124D.165, subdivisions 2, 3, 4, 6; 125A.13; 145.4716, subdivision 3; 168B.07, subdivision 3; 179A.03, subdivision 18; 245.095; 245A.02, subdivisions 2c, 6b, by adding a subdivision; 245A.03, subdivision 2; 245A.04, subdivision 4; 245A.05; 245A.06, subdivision 1; 245A.07, subdivisions 1, 3; 245A.11, by adding a subdivision; 245A.14, subdivision 4; 245A.1435; 245A.146, subdivision 3; 245A.16, subdivisions 1, 9, by adding a subdivision; 245A.18, subdivision 2; 245A.22, by adding a subdivision; 245A.50, subdivisions 3, 4, 5, 6, 9; 245A.52, subdivisions 1, 3, 5, by adding a subdivision; 245A.66, by adding a subdivision; 245C.04, subdivision 1; 245C.05, subdivision 4; 245C.17, subdivision 6; 245C.23, subdivision 2; 245E.06, subdivision 3; 245G.13, subdivision 2; 245H.01, subdivision 5; 245H.02; 245H.03, by adding a subdivision; 245H.05; 245H.08, subdivisions 4, 5; 245H.13, subdivisions 3, 7; 256.014, subdivisions 1, 2; 256.046, subdivisions 1, 3; 256.98, subdivision 8; 256.983, subdivision 5; 256.987, subdivision 4; 256D.03, by adding a subdivision; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35, subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivision 13; 256I.06, subdivisions 6, 8, by adding a subdivision; 256J.01, subdivision 1; 256J.02, subdivision 2; 256J.08, subdivisions 65, 71, 79; 256J.09, subdivision 10; 256J.11, subdivision 1; 256J.21, subdivisions 3, 4; 256J.33, subdivisions 1, 2; 256J.35; 256J.37, subdivisions 3, 3a; 256J.40; 256J.42, subdivision 5; 256J.425, subdivisions 1, 4, 5, 7; 256J.46, subdivisions 1, 2, 2a; 256J.49, subdivision 9; 256J.50, subdivision 1; 256J.521, subdivision 1; 256J.621, subdivision 1; 256J.626, subdivisions 2, 3; 256J.751, subdivision 2; 256K.45, subdivisions 3, 7, by adding a subdivision; 256N.24, subdivision 12; 256P.01, by adding a subdivision; 256P.02, subdivision 2, by adding a subdivision; 256P.04, subdivisions 4, 8; 256P.06, subdivision 3; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 260.761, subdivision 2, as amended; 260C.007, subdivision 14; 260C.221, subdivision 1; 260C.317, subdivision 3; 260C.451, by adding subdivisions; 260C.704; 260C.708; 260C.80, subdivision 1; 260E.01; 260E.02, subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 261.063; 514.972, subdivision 5; 518A.31; 518A.32, subdivisions 3, 4; 518A.34; 518A.41; 518A.42, subdivisions 1, 3; 518A.43, subdivision 1b; 518A.65; 518A.77; proposing coding for new law in Minnesota Statutes, chapters 119B; 122A; 245A; 256; 256E; 256K; 256P; 260; 260C; proposing coding for new law as Minnesota Statutes, chapters 119C; 143; repealing Minnesota Statutes 2022, sections 119B.011, subdivision 10a; 119B.03, subdivision 4; 245C.11, subdivision 3; 256.8799; 256.9864; 256D.63, subdivision 1; 256J.08, subdivisions 10, 24b, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256J.425, subdivision 6; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19; 256P.07, subdivision 5; 518A.59."

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

The report was adopted.

Freiberg from the Committee on Elections Finance and Policy to which was referred:

H. F. No. 1723, A bill for an act relating to elections; appropriating money to the secretary of state; amending Minnesota Statutes 2022, section 5.30, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
ELECTIONS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>SECRETARY OF STATE</u>	<u>\$1,866,000</u>	<u>\$738,000</u>
<u>The base for this appropriation is \$1,056,000 in fiscal year 2026 and \$738,000 in fiscal year 2027.</u>		
<u>Of the amount in fiscal year 2024, \$461,000 is transferred from the general fund to the Help America Vote Act (HAVA) account established in Minnesota Statutes, section 5.30, and is credited to the state match requirement of the Consolidated Appropriations Act of 2022, Public Law 117-103, and the Consolidated Appropriations Act of 2023, Public Law 117-328.</u>		
Sec. 3. <u>CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD</u>	<u>\$1,743,000</u>	<u>\$1,731,000</u>
Sec. 4. <u>ATTORNEY GENERAL</u>	<u>\$100,000</u>	<u>\$100,000</u>
Sec. 5. <u>APPROPRIATION; SECRETARY OF STATE; COURT ORDERED ATTORNEY FEES.</u>		

\$495,000 in fiscal year 2023 is appropriated from the general fund to the secretary of state for the payment of attorney fees and costs awarded by court order in the legislative and congressional redistricting cases Peter Wattson, et al.; Paul Anderson, et al.; and Frank Sachs, et al. v. Steve Simon, Secretary of State of Minnesota, Nos. A21-0243 and A21-0546, and interest thereon. This is a onetime appropriation.

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

Sec. 6. **VOTING OPERATIONS, TECHNOLOGY, AND ELECTION RESOURCES ACCOUNT; TRANSFER.**

\$1,292,000 in fiscal year 2024 and \$1,291,000 in fiscal year 2025 are transferred from the general fund to the voting operations, technology, and election resources account in the special revenue fund. The base for this transfer in fiscal year 2026 and each fiscal year thereafter is \$1,353,000.

Sec. 7. Minnesota Statutes 2022, section 5.30, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** ~~Notwithstanding section 4.07, Money in the Help America Vote Act account may be spent only pursuant to direct appropriations enacted from time to time by law. Money in the account must be spent~~ is appropriated to the secretary of state to improve the administration of elections in accordance with the Help America Vote Act, the state plan certified by the governor under the act, and for reporting and administrative requirements under the act and plan. To the extent required by federal law, money in the account must be used in a manner that is consistent with the maintenance of effort requirements of section 254(a)(7) of the Help America Vote Act, Public Law 107-252, based on the level of state expenditures for the fiscal year ending June 30, 2000.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any balances in the Help America Vote Act account existing on or after that date.

Sec. 8. Minnesota Statutes 2022, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), ~~\$1,020,000 for each general election is \$4,002,000 for the biennium ending June 30, 2025, and \$2,196,000 for the biennium ending June 30, 2027, and each biennium thereafter are~~ appropriated from the general fund for transfer to the general account of the state elections campaign account.

ARTICLE 2
ELECTIONS ADMINISTRATION

Section 1. **[2.92] ACCESS TO MULTIUNIT FACILITIES BY UNITED STATES CENSUS EMPLOYEES.**

Subdivision 1. Access required. It is unlawful for a person, either directly or indirectly, to deny access to an apartment house, dormitory, nursing home, manufactured home park, other multiple unit facility used as a residence, or area in which two or more single-family dwellings are located on private roadways, to an employee of the United States Census Bureau who displays a current, valid census credential and who is engaged in official census business. An employee granted access under this section must be permitted to knock on the doors of individual units to speak with residents and to leave census materials for residents at their doors, except that the manager of a nursing home may direct that the materials be left at a central location within the facility. The materials must be left in an orderly manner.

Subd. 2. **Limitations.** This section does not prohibit:

(1) denial of admittance into a particular apartment, room, manufactured home, or personal residential unit;

(2) in the case of a nursing home or an assisted living facility licensed under chapter 144G, denial of permission to visit certain persons for valid health reasons;

(3) limiting visits to a reasonable number of census employees or reasonable hours;

(4) requiring a prior appointment to gain access to the facility; or

(5) denial of admittance to or expulsion of an individual employee from a multiple unit dwelling for good cause.

Subd. 3. **Compliance with federal law.** A person in compliance with United States Code, title 13, section 223, and any guidance or rules adopted by the United States Department of Commerce, Bureau of the Census, governing access to a facility described in subdivision 1 is considered to be in compliance with the requirements of this section.

Subd. 4. **Applicability.** This section applies from January 1 to July 1 in any year during which a decennial census is conducted under the authority of the United States Constitution, article 1, section 2.

Sec. 2. **[5.305] VOTING OPERATIONS, TECHNOLOGY, AND ELECTION RESOURCES ACCOUNT.**

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

(1) "account" means the voting operations, technology, and election resources account;

(2) "city" means a statutory or home rule charter city; and

(3) "local unit of government" means a county, city, or town.

Subd. 2. **Account established; appropriation.** The voting operations, technology, and election resources account is established in the special revenue fund. Money in the account is appropriated annually to the secretary of state for distribution as provided in this section.

Subd. 3. **Distribution amount; payment.** (a) The secretary of state must distribute the balance in the account annually as follows:

(1) 20 percent of the total balance is for allocation to each county in equal amounts; and

(2) 80 percent of the total balance is for allocation to each county in proportion to its share of registered voters on May 1 for the most recent statewide general election, as determined by the secretary of state.

(b) The secretary of state must distribute funds under this section no later than July 20 of each year.

Subd. 4. **Allocation of funds among local units of government.** (a) Upon receipt of funds, each county must segregate the funds in a county election funding account. The money in the account remains in the account until spent for any of the authorized purposes set forth in this section. The county and the local units of government located within the county must agree on a distribution plan for allocating funds from the account. If the county and a local unit of government do not agree on a distribution plan, the county must allocate the funds to that unit of local government as follows:

(1) 50 percent is retained by the county;

(2) 25 percent is allocated to each local unit of government responsible for administering absentee voting or mail voting in proportion to that unit of government's share of the county's registered voters on May 1 for the most recent statewide general election; and

(3) 25 percent is allocated to cities and townships in proportion to each city and township's share of registered voters in the county on May 1 for the most recent statewide general election.

The county must make distributions to cities and towns by December 31 each year.

(b) A city or township that is allocated funds under this subdivision must segregate the funds in an election funding account. The money in the account remains in the account until spent for any of the authorized purposes set forth in this section.

Subd. 5. **Use of funds.** A local unit of government may use the funds allocated pursuant to this section for the following purposes, provided the expenditures are directly related to election administration:

- (1) equipment;
- (2) hardware or software;
- (3) cybersecurity;
- (4) security-related infrastructure;
- (5) capital improvements to improve access to polling places for individuals with disabilities;
- (6) staff costs for election administrators, election judges, and other election officials;
- (7) printing and publication;
- (8) postage;
- (9) programming;
- (10) local match for state or federal funds; and
- (11) any other purpose directly related to election administration.

Subd. 6. **Reports.** (a) Annually by December 31, each county auditor must report to the secretary of state with an explanation of how the funds received pursuant to this section during the previous fiscal year were spent and a certification that they were spent in accordance with subdivisions 4 and 5. The county auditor's report must include the following: an itemized description of each actual expenditure listed by the general categories of expenditures identified in subdivision 5, the local unit of government making the expenditure, the balance in the county's election funding account, and the balance of any city's or town's election funding account. The county auditor's report must also include any other information required by the secretary of state.

(b) Each city and town receiving an allocation of funds under this section must provide the county auditor with the data necessary to submit this report no later than December 15 of each year.

(c) No later than January 31 of each year, the secretary of state must compile the reports received from each county auditor and submit a summary report on the expenditure of funds to the chairs and ranking minority members of the legislative committees with jurisdiction over elections policy and finance. At a minimum, the summary report must identify expenditures by county, city, and town and the purposes of each expenditure.

Sec. 3. Minnesota Statutes 2022, section 5B.06, is amended to read:

5B.06 VOTING BY PROGRAM PARTICIPANT; ABSENTEE BALLOT.

A program participant who is otherwise eligible to vote may register with the secretary of state as a permanent absentee voter. Notwithstanding section 203B.04, subdivision 5, the secretary of state is not required to send an absentee ballot application prior to each election to a program participant registered as a permanent absentee voter under this section. As soon as practicable before each election, the secretary of state shall determine the precinct in

which the residential address of ~~the~~ a program participant is located ~~and~~. Upon making a precinct determination, the secretary of state shall either (1) request from and receive from the county auditor or other election official the ballot for that precinct and shall forward mail the absentee ballot to the program participant with the other, or (2) using the Minnesota statewide voter registration system, prepare the program participant's ballot for that precinct and mail the absentee ballot to the program participant. The secretary of state shall include with each mailed absentee ballot all corresponding materials for absentee balloting as required by Minnesota law. The program participant shall complete the ballot and return it to the secretary of state, who shall review the ballot in the manner provided by section 203B.121, subdivision 2. If the ballot and ballot materials comply with the requirements of that section, the ballot must be certified by the secretary of state as the ballot of a program participant, and must be forwarded to the appropriate electoral jurisdiction for tabulation along with all other ballots. The name and address of a program participant must not be listed in the statewide voter registration system.

Sec. 4. Minnesota Statutes 2022, section 135A.17, subdivision 2, is amended to read:

Subd. 2. **Residential housing list.** All postsecondary institutions that enroll students accepting ~~state or~~ federal financial aid may prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. All postsecondary institutions that enroll students accepting state financial aid must, to the extent the information may be disclosed pursuant to Code of Federal Regulations, title 34, part 99, prepare a current list of students enrolled in the institution and residing in the institution's housing or in the city or cities in which the campus is situated, if available. The list shall include each student's current address, unless the student is enrolled in the Safe at Home address confidentiality program as provided in chapter 5B. The list shall be certified and sent to the appropriate county auditor or auditors for use in election day registration as provided under section 201.061, subdivision 3. A residential housing list provided under this subdivision may not be used or disseminated by a county auditor or the secretary of state for any other purpose.

Sec. 5. Minnesota Statutes 2022, section 200.02, subdivision 7, is amended to read:

Subd. 7. **Major political party.** (a) "Major political party" means a political party that maintains a party organization in the state, political division or precinct in question and that has presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than ~~five~~ ten percent of the total number of individuals who voted in that election.

(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and that has presented at least 45 candidates for election to the office of state representative, 23 candidates for election to the office of state senator, four candidates for election to the office of representative in Congress, and one candidate for election to each of the following offices: governor and lieutenant governor, attorney general, secretary of state, and state auditor, at the last preceding state general election for those offices.

(c) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains valid signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election. A signature is valid only if signed no more than one year prior to the date the petition was filed.

(d) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (a) or a political party that presents candidates at an election as required by paragraph (b) becomes a major political party as of January 1 following that election and retains its major party status for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (a) or fails to present candidates as required by paragraph (b) at subsequent state general elections.

(e) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (a) and that fails to present candidates as required by paragraph (b) at each of two consecutive state general elections described by paragraph (a) or (b), respectively, loses major party status as of December 31 following the later of the two consecutive state general elections.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a party's status at the state primary and general election held in 2024 and thereafter. Notwithstanding any law to the contrary, beginning on the effective date of this section, the secretary of state, the Campaign Finance and Public Disclosure Board, and any other office of the state or of a local unit of government with duties related to the administration or financing of elections may only recognize a political party as a major political party for purposes of those elections if the party has met the qualifying thresholds as amended by this section.

Sec. 6. Minnesota Statutes 2022, section 201.022, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The secretary of state shall maintain a statewide voter registration system to facilitate voter registration and to provide a central database containing voter registration information from around the state. The system must be accessible to the county auditor of each county in the state. The system must also:

(1) provide for voters to submit their voter registration applications to any county auditor, the secretary of state, or the Department of Public Safety;

(2) provide for the definition, establishment, and maintenance of a central database for all voter registration information;

(3) provide for entering data into the statewide registration system;

(4) provide for electronic transfer of completed voter registration applications from the Department of Public Safety to the secretary of state or the county auditor;

(5) assign a unique identifier to each legally registered voter in the state;

(6) provide for the acceptance of the Minnesota driver's license number, Minnesota state identification number, and last four digits of the Social Security number for each voter record;

(7) coordinate with other agency databases within the state;

(8) allow county auditors and the secretary of state to add or modify information in the system to provide for accurate and up-to-date records;

(9) allow county auditors, municipal and school district clerks, and the secretary of state to have electronic access to the statewide registration system for review and search capabilities;

(10) provide security and protection of all information in the statewide registration system and ensure that unauthorized access is not allowed;

(11) provide access to municipal clerks to use the system;

(12) provide a system for each county to identify the precinct to which a voter should be assigned for voting purposes;

(13) provide daily reports accessible by county auditors on the driver's license numbers, state identification numbers, or last four digits of the Social Security numbers submitted on voter registration applications that have been verified as accurate by the secretary of state; ~~and~~

(14) provide reports on the number of absentee ballots transmitted to and returned and cast by voters under section 203B.16; and

(15) provide reports necessary for early voting.

The appropriate state or local official shall provide security measures to prevent unauthorized access to the computerized list established under section 201.021.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 7. Minnesota Statutes 2022, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** (a) At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a voter registration application as described in section 201.071, subdivision 1. A completed application may be submitted:

(1) in person or by mail to the county auditor of that county or to the Secretary of State's Office; or

(2) electronically through a secure website that shall be maintained by the secretary of state for this purpose, if the applicant has an email address and provides the applicant's verifiable Minnesota driver's license number, Minnesota state identification card number, or the last four digits of the applicant's Social Security number.

(b) A registration that is received in person or by mail no later than 5:00 p.m. on the 21st day preceding any election, or a registration received electronically through the secretary of state's secure website no later than 11:59 p.m. on the 21st day preceding any election, shall be accepted. An improperly addressed or delivered registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten calendar days after the applications are dated by the voter.

~~(c)~~ (c) An application submitted electronically under paragraph (a), clause (2), may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must review all unverifiable voter registration applications submitted electronically for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.

(d) An individual may not electronically submit a voter registration application on behalf of any other individual, except that the secretary of state may provide features on the secure website established under paragraph (a), clause (2), that allow third parties to connect application programming interfaces that facilitate an individual's submission of voter registration information while interacting with the third party.

(e) For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 8. Minnesota Statutes 2022, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; ~~a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4~~ an assisted living facility licensed by the commissioner of health under chapter 144G; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed

by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; ~~or~~ a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245.462, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 9. Minnesota Statutes 2022, section 201.061, is amended by adding a subdivision to read:

Subd. 3a. Additional proofs of residence permitted for students. (a) An eligible voter may prove residence by presenting a current valid photo identification issued by a postsecondary educational institution in Minnesota if the voter's name; student identification number, if available; and address within the precinct appear on a current residential housing list under section 135A.17, certified to the county auditor by the postsecondary educational institution.

(b) This additional proof of residence for students must not be allowed unless the postsecondary educational institution submits to the county auditor no later than 60 days prior to the election a written agreement that the postsecondary educational institution will certify for use at the election accurate updated residential housing lists under section 135A.17. A written agreement is effective for the election and all subsequent elections held in that calendar year, including the November general election.

(c) The additional proof of residence for students must be allowed on an equal basis for voters who reside in housing meeting the requirements of section 135A.17, if the residential housing lists certified by the postsecondary educational institution meet the requirements of this subdivision.

(d) An updated residential housing list must be certified to the county auditor no earlier than 20 days prior to each election. The certification must be dated and signed by the chief officer or designee of the postsecondary educational institution and must state that the list is current and accurate and includes only the names of persons residing as of the date of the certification.

(e) The county auditor shall instruct the election judges of the precinct in procedures for use of the list in conjunction with photo identification. The auditor shall supply a list to the election judges with the election supplies for the precinct.

(f) The county auditor shall notify all postsecondary educational institutions in the county of the provisions of this subdivision.

Sec. 10. Minnesota Statutes 2022, section 201.071, subdivision 1, as amended by Laws 2023, chapter 12, section 2, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have ~~resided~~ maintained residence in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship in which the court order revokes my right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) am not currently incarcerated for a conviction of a felony offense; and
- (8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

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

Sec. 11. Minnesota Statutes 2022, section 201.071, subdivision 8, is amended to read:

Subd. 8. **School district assistance.** School districts shall assist county auditors in determining the school district in which a voter ~~resides~~ maintains residence.

Sec. 12. Minnesota Statutes 2022, section 201.091, subdivision 4a, is amended to read:

Subd. 4a. **Presidential primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party each voter selected. Information maintained on the list is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide ~~the list~~ to the chair of each major political party the list of voters who selected that party.

Sec. 13. Minnesota Statutes 2022, section 201.12, subdivision 2, is amended to read:

Subd. 2. **Moved within state.** If any nonforwardable mailing from an election official is returned as undeliverable but with a permanent forwarding address in this state, the county auditor may change the voter's status to "inactive" in the statewide registration system and shall transmit a copy of the mailing to the auditor of the county in which the new address is located. If an election is scheduled to occur in the precinct in which the voter ~~resides~~ maintains residence in the next 47 days, the county auditor shall promptly update the voter's address in the statewide voter registration system. If there is not an election scheduled, the auditor may wait to update the voter's address until after the next list of address changes is received from the secretary of state. Once updated, the county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

Sec. 14. Minnesota Statutes 2022, section 201.121, subdivision 1, is amended to read:

Subdivision 1. **Entry of registration information.** (a) At the time a voter registration application is properly completed, submitted, and received in accordance with sections 201.061 and 201.071, the county auditor shall enter the information contained on it into the statewide registration system. Voter registration applications completed before election day must be entered into the statewide registration system within ten days after they have been submitted to the county auditor. Voter registration applications completed on election day must be entered into the statewide registration system within 42 days after the election, unless the county auditor notifies the secretary of state before the deadline has expired that the deadline will not be met. Upon receipt of a notification under this paragraph, the secretary of state must extend the deadline for that county auditor by an additional 28 days. The secretary of state may waive a county's obligations under this paragraph if, on good cause shown, the county demonstrates its permanent inability to comply.

The secretary of state must post data on each county's compliance with this paragraph on the secretary of state's website including, as applicable, the date each county fully complied or the deadline by which a county's compliance must be complete.

(b) Upon receiving a completed voter registration application, the secretary of state may electronically transmit the information on the application to the appropriate county auditor as soon as possible for review by the county auditor before final entry into the statewide registration system. The secretary of state may mail the voter registration application to the county auditor.

(c) Within ten days after the county auditor has entered information from a voter registration application into the statewide registration system, the secretary of state shall compare the voter's name, date of birth, and driver's license number, state identification number, or the last four digits of the Social Security number with the same information contained in the Department of Public Safety database.

(d) The secretary of state shall provide a report to the county auditor on a weekly basis that includes a list of voters whose name, date of birth, or identification number have been compared with the same information in the Department of Public Safety database and cannot be verified as provided in this subdivision. The report must list separately those voters who have submitted a voter registration application by mail and have not voted in a federal election in this state.

(e) The county auditor shall compile a list of voters for whom the county auditor and the secretary of state are unable to conclude that information on the voter registration application and the corresponding information in the Department of Public Safety database relate to the same person.

(f) The county auditor shall send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to ~~"incomplete."~~ "challenged." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to ~~complete the registration~~ clear the challenge at least 21 days before the next election or at the polling place on election day.

Sec. 15. Minnesota Statutes 2022, section 201.13, subdivision 3, is amended to read:

Subd. 3. Use of change of address system. (a) At least once each month the secretary of state shall obtain a list of individuals registered to vote in this state who have filed with the United States Postal Service a change of their permanent address. The secretary of state may also periodically obtain a list of individuals with driver's licenses or state identification cards to identify those who are registered to vote who have applied to the Department of Public Safety for a replacement driver's license or state identification card with a different address, and a list of individuals for whom the Department of Public Safety received notification of a driver's license or state identification card cancellation due to a change of residency out of state. However, the secretary of state shall not load data derived from these lists into the statewide voter registration system within the 47 days before the state primary or 47 days before a November general election.

(b) If the address is changed to another address in this state, the secretary of state shall locate the precinct in which the voter ~~resides~~ maintains residence, if possible. If the secretary of state is able to locate the precinct in which the voter ~~resides~~ maintains residence, the secretary must transmit the information about the changed address by electronic means to the county auditor of the county in which the new address is located. For addresses for which the secretary of state is unable to determine the precinct, the secretary may forward information to the appropriate county auditors for individual review. If the voter has not voted or submitted a voter registration application since the address change, upon receipt of the information, the county auditor shall update the voter's address in the statewide voter registration system. The county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, unless the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, in which case the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

(c) If the change of permanent address is to an address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly ~~resided~~ maintained residence that the voter has moved to another state. If the voter has not voted or submitted a voter registration application since the address change, the county auditor shall promptly mail to the voter at the voter's new address a notice advising the voter that

the voter's status in the statewide voter registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide voter registration system.

(d) If, in order to maintain voter registration records, the secretary of state enters an agreement to share information or data with an organization governed exclusively by a group of states, the secretary must first determine that the data security protocols are sufficient to safeguard the information or data shared. If required by such an agreement, the secretary of state may share the following data from the statewide voter registration system and data released to the secretary of state under section 171.12, subdivision 7a:

- (1) name;
- (2) date of birth;
- (3) address;
- (4) driver's license or state identification card number;
- (5) the last four digits of an individual's Social Security number; and
- (6) the date that an individual's record was last updated.

If the secretary of state enters into such an agreement, the secretary and county auditors must process changes to voter records based upon that data in accordance with this section. Except as otherwise provided in this subdivision, when data is shared with the secretary of state by another state, the secretary of state must maintain the same data classification that the data had while it was in the possession of the state providing the data.

Sec. 16. Minnesota Statutes 2022, section 201.1611, subdivision 1, is amended to read:

Subdivision 1. **Forms.** (a) All postsecondary institutions that enroll students accepting state or federal financial aid shall must provide voter registration forms to each student as early as possible in the fall quarter during the fall and spring of each year. In state election years, it must be provided 15 days in advance of the deadline for registering to vote for the state general election. If the voter registration forms are provided electronically, the electronic message must be devoted exclusively to voter registration.

(b) All school districts shall must make available voter registration applications each May and September to all students registered as students of the school district who will be eligible to vote at the next election after those months. A school district has no obligation to provide voter registration applications to students who participate in a postsecondary education option program or who otherwise reside maintain residence in the district but do not attend a school operated by the district. A school district fulfills its obligation to a student under this section if it provides a voter registration application to the student one time.

(c) The voter registration forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions and school districts may request these forms from the secretary of state. Institutions shall must consult with their campus student government in determining the most effective means of distributing the forms and in seeking to facilitate election day registration of students under section 201.061, subdivision 3. School districts must advise students that completion of the voter registration application is not a school district requirement.

(d) The institutions and school districts must report to the secretary of state by November 30 of each year on their implementation of this section. At a minimum, the report must include how and when the forms were distributed and the voter engagement plan under subdivision 3, paragraph (b), clause (2). Institutions and school districts may include information about methods that were effective in increasing student registrations.

(e) By February 1 of each year, the secretary of state must report to the chairs and ranking minority members of the legislative committees with jurisdiction over elections on the information received from institutions and school districts. The secretary must highlight best practices and innovative methods that were most effective in registering students to vote.

Sec. 17. Minnesota Statutes 2022, section 201.1611, is amended by adding a subdivision to read:

Subd. 3. Voter information. (a) All postsecondary institutions that enroll students accepting state or federal financial aid must maintain a webpage to share resources to help students determine where and how they are eligible to vote. The webpage must include the following:

(1) resources from state and local election officials on voter registration and voting requirements including voter registration deadlines; residency requirements; acceptable methods of proving residency for same day registration, as applicable; and absentee voting options;

(2) applicable deadlines for requesting and submitting an absentee ballot, as well as additional options for early and in-person voting, and voting on election day;

(3) resources to help students who are registered in another state to apply for absentee ballots in that state, and may include resources from state and local election officials from that state;

(4) the campus vote coordinator's name and contact information; and

(5) the voter engagement plan required by paragraph (b), clause (3).

(b) All postsecondary institutions that enroll students accepting state or federal financial aid must designate a staff person as the campus vote coordinator. The campus vote coordinator must:

(1) ensure the institution complies with this section;

(2) report the number of physical and electronic voter registrations collected on an annual basis on the institution's voting website; and

(3) consult with the campus student association to develop a voter engagement plan that identifies goals and activities, resources to accomplish the identified goals and activities, and individual or key departments responsible for executing the identified goals and activities.

Sec. 18. Minnesota Statutes 2022, section 201.195, is amended to read:

201.195 CHALLENGES.

Subdivision 1. **Petition; hearing timing.** (a) Upon petition filed with the county auditor, any voter registered within a county may challenge the eligibility or residence of any other voter registered within that county. A petition filed pursuant to this section must not include the name of more than one person whose right to vote is challenged. The county auditor must not accept a filing which challenges the eligibility of more than one voter. Petitions must be filed at least 45 days before the election, unless the voter registered or updated the voter's registration within 60 days before the election, in which case the petition must be filed at least ten days before the election, or within ten days after the voter's new or updated registration appeared on the public information list, whichever is later.

(b) The petition shall must state the grounds for challenge and, provide facts and circumstances supporting the challenge, and may include supporting documents, affidavits, or other evidence. The petition must be accompanied by an affidavit stating that the challenge is based on the challenger's personal knowledge, and that the filer exercised due diligence to personally verify the facts and circumstances establishing the basis for the challenge. The filer has the burden to prove, by clear and convincing evidence, that the basis for challenging the individual's eligibility to vote is valid.

(c) The following reasons, standing alone, do not constitute adequate grounds for a challenge:

(1) a piece of mail sent to the voter by someone other than the county auditor that was returned as undeliverable;

(2) enrollment in an educational institution; or

(3) registration to vote at an address that is housing provided for students by an educational institution.

Subd. 1a. **Reasons for dismissal.** If the petition is incomplete, or if the basis for the challenge does not meet the requirements of this section, the county auditor must dismiss the petition and notify the filer in writing of the reasons for the dismissal.

Subd. 1b. **Notice to voter.** Within five days after receipt of the a petition that meets the requirements of this section, the county auditor shall must set a date for a hearing on the challenge and notify the challenger by mail. A copy of the petition and notice of the hearing shall must be served on the challenged voter by the county auditor in the same manner as in a civil action. The county auditor must inform the challenged individual that:

(1) a petition has been filed as to whether the individual is eligible to vote as well as the basis of the challenge;

(2) if the individual votes by mail, the individual's ballot will not be counted unless the challenge is resolved; and

(3) the individual may submit information prior to the hearing or present information at the hearing. This information may include a sworn statement, supporting documents, affidavits, witnesses, or other evidence supporting the challenged individual's eligibility to vote in the election.

Subd. 1c. **Hearing.** The hearing shall must be held before the county auditor or the auditor's designee who shall must then make findings and affirm or dismiss the challenge. The hearing must be recorded by either video or audio recording. The recording must be retained for 22 months.

Subd. 2. **Appeal.** If a challenge is affirmed, the voter whose registration has been challenged may appeal the ruling to the secretary of state. The voter must immediately notify the county auditor of the appeal, and upon receipt of this notice, the county auditor must submit the entire record of the hearing, including all documents and a recording of the hearing, to the secretary of state. The appeal shall must be heard within five days but in any case before election day. Upon hearing the appeal the secretary of state shall must affirm or reverse the ruling and shall must give appropriate instructions to the county auditor.

Subd. 3. **Hearing procedures.** A hearing before the secretary of state shall must be conducted as a contested case and determined in accordance with chapter 14.

Sec. 19. Minnesota Statutes 2022, section 201.225, subdivision 2, is amended to read:

Subd. 2. **Technology requirements.** An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to locate a voter record or populate a voter registration application that would be printed and signed and dated by the voter. The printed registration application can be ~~either~~ a printed form, ~~labels~~ a label printed with voter information to be affixed to a preprinted form, ~~or~~ a combination of ~~both~~ a form and label, or an electronic record that the voter signs electronically and is printed following its completion at the polling place;

(4) allow an election judge to update data that was populated from a scanned driver's license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a scanned driver's license or identification card that is otherwise required to be collected from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter has already voted in that precinct, the voter's registration status is challenged, or it appears the voter ~~resides~~ maintains residence in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a space for the voter's original signature. The printed voter signature certificate can be ~~either~~ a printed form ~~or~~ a label printed with the voter's information to be affixed to the oath, or an electronic record that the voter signs electronically and is printed following its completion at the polling place;

(10) contain only preregistered voters within the precinct, and not contain preregistered voter data on voters registered outside of the precinct, unless being utilized for absentee or early voting under chapter 203B or for mail balloting on election day pursuant to section 204B.45, subdivision 2a;

(11) be only networked within the polling location on election day, except for the purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the Office of the Secretary of State in consultation with the Department of Information Technology Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration of the participating election, as determined by the secretary of state.

Electronic rosters used only for election day registration do not need to comply with clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing do not need to comply with clauses (4) and (5).

Sec. 20. Minnesota Statutes 2022, section 202A.18, subdivision 2a, is amended to read:

Subd. 2a. **Preference ballot for governor.** In a year when the office of governor appears on the state general election ballot, prior to the opening of nominations for the election of permanent offices and delegates, a ballot must be distributed to permit caucus participants to indicate their preference for the office of the governor. The results of preference voting must be reported to the secretary of state immediately upon conclusion of the voting, in the manner provided by the secretary of state. The secretary of state shall provide the appropriate forms to the party for reporting the results.

Sec. 21. Minnesota Statutes 2022, section 203B.001, is amended to read:

203B.001 ELECTION LAW APPLICABILITY.

The Minnesota Election Law is applicable to voting by absentee ballot and early voting unless otherwise provided in this chapter.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 22. Minnesota Statutes 2022, section 203B.01, is amended by adding a subdivision to read:

Subd. 5. Early voting. "Early voting" means voting in person before election day as provided in section 203B.30.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 23. Minnesota Statutes 2022, section 203B.01, is amended by adding a subdivision to read:

Subd. 6. Utility worker. "Utility worker" means an employee of a public utility as defined by section 216B.02, subdivision 4.

Sec. 24. Minnesota Statutes 2022, section 203B.03, subdivision 1, is amended to read:

Subdivision 1. **Violation.** (a) No individual shall intentionally:

- (1) make or sign any false certificate required by this chapter;
 - (2) make any false or untrue statement in any application for absentee ballots;
 - (3) apply for absentee ballots more than once in any election with the intent to cast an illegal ballot;
 - (4) exhibit a ballot marked by that individual to any other individual;
 - (5) do any act in violation of the provisions of this chapter for the purpose of casting an illegal vote in any precinct or for the purpose of aiding another to cast an illegal vote;
 - (6) use information from absentee ballot or early voting materials or records for purposes unrelated to elections, political activities, or law enforcement;
 - (7) provide assistance to an absentee or early voter except in the manner provided by section 204C.15, subdivision 1;
 - (8) solicit the vote of an absentee voter while in the immediate presence of the voter during the time the individual knows the absentee voter is voting; or
 - (9) alter an absentee ballot application after it has been signed by the voter, except by an election official for administrative purposes.
- (b) Before inspecting information from absentee ballot or early voting materials or records, an individual shall provide identification to the public official having custody of the material or information.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 25. Minnesota Statutes 2022, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

- (1) the county auditor of that county has designated the clerk to administer them; or
- (2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121.

A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting. A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any municipal clerk who will be administering the provisions of this section and the duties that the clerk will administer.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 26. Minnesota Statutes 2022, section 203B.08, subdivision 1, is amended to read:

Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee ballots as provided in this chapter shall mark them in the manner specified in the directions for casting the absentee ballots. The return envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots, may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may be left in a drop box as provided in section 203B.082. If delivered in person, the return envelope must be submitted to the county auditor or municipal clerk by ~~3:00~~ 8:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed absentee ballot return envelope to the county auditor or municipal clerk or to deposit the return envelope in the mail. An agent may deliver or mail the return envelopes of not more than three voters in any election. Any person designated as an agent who tampers with either the return envelope or the voted ballots or does not immediately mail or deliver the return envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

Sec. 27. Minnesota Statutes 2022, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope and place it in a locked ballot container or other secured and locked space with other return envelopes received by that office. Within five days after receipt, the

county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day ~~either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if delivered by mail or a package delivery service,~~ shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 28. Minnesota Statutes 2022, section 203B.081, subdivision 1, is amended to read:

Subdivision 1. **Location; timing for absentee voting.** (a) An eligible voter may vote by absentee ballot in the office of the county auditor and at any other polling place designated by the county auditor during the 46 days before the election, except as provided in this section.

(b) At the request of a federally recognized Indian Tribe with a reservation in the county, the county auditor must establish an additional polling place for at least one day on the Indian reservation on a site agreed upon by the Tribe and the county auditor that is accessible to the county auditor by a public road.

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

Sec. 29. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 1a. **Location; timing for early voting.** An eligible voter may vote using early voting during the 18 days before a federal, state, or county election, and during the 18 days before a municipal election if authorized under section 203B.05, in the office of the county auditor and at any other polling place designated by the county auditor. In elections in which early voting is provided, the alternative voting procedure authorized by subdivision 3 must not be provided.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 30. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) The county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, ~~and address,~~ and, upon request of the election official, the voter's date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by an election judge, the county auditor, a municipal clerk, or a deputy of the auditor or clerk.

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

Sec. 31. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) In elections not eligible to use early voting under subdivision 1a, the county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, address, and date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by the county auditor, municipal clerk, or a deputy of the auditor or clerk.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 32. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 4. **Temporary locations.** A county auditor or municipal clerk authorized under section 203B.05 to administer voting before election day may designate additional polling places with days and hours that differ from those required by section 203B.085. A designation authorized by this subdivision must be made at least 47 days before the election. The county auditor or municipal clerk must provide notice to the secretary of state at the time that the designations are made.

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

Sec. 33. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 5. **Town elections.** Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before the election.

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

Sec. 34. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 6. **Designation of locations.** The county auditor must make polling place designations at least 14 weeks before the election and must provide the notice to the secretary of state at the time the designations are made.

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

Sec. 35. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 7. **Notice to voters.** The county auditor must prepare a notice to the voters of the days, times, and locations for voting before election day as authorized by this section. This notice must be posted on the secretary of state's website, the county's website, and the website for each municipality in which a voting location under this section is located at least 14 days before the first day of the absentee voting period. If a county or municipality does not have a website, the county auditor or municipal clerk must publish the notice at least once in the jurisdiction's official newspaper at least seven days and not more than 14 days before the first day of the absentee voting period.

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

Sec. 36. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 8. **Equipment.** The county auditor must provide each polling place with at least one voting booth; a ballot box; an electronic ballot counter, unless it has not adopted use of one; and at least one electronic ballot marker for individuals with disabilities pursuant to section 206.57, subdivision 5.

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

Sec. 37. Minnesota Statutes 2022, section 203B.085, is amended to read:

203B.085 COUNTY AUDITOR'S AND MUNICIPAL CLERK'S OFFICES TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.

Subdivision 1. **State general elections.** Prior to a state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer voting before election day must be open:

- (1) until 7:00 p.m. on the Tuesday before the election;
- (2) from 9:00 a.m. to 3:00 p.m. on the two Saturdays before the election;
- (3) from 9:00 a.m. to 3:00 p.m. on the Sunday immediately before the election; and
- (4) until 5:00 p.m. on the day before the election.

A polling place designated under 203B.081, subdivision 4, may be open alternate days and hours.

Subd. 2. **Other elections.** In elections other than the state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer ~~absentee balloting~~ voting before election day must be open for ~~acceptance of absentee ballot applications and casting of absentee ballots~~ voting as authorized under section 203B.081 from 10:00 9:00 a.m. to 3:00 p.m. on Saturday and until 5:00 p.m. on the day immediately preceding a primary, special, or general election unless that day falls on a Saturday or Sunday. Town clerks' offices, and county auditors' offices if the county auditor has agreed to perform those duties on behalf of the town, must be open for absentee voting from 10:00 a.m. to 12:00 noon on the Saturday before a town general election held in March. The school district clerk, when performing the county auditor's election duties, need not comply with this section.

Subd. 3. **Voters in line.** All voters in line at a time when a polling place is scheduled to close must be allowed to vote in the same manner as provided in section 204C.05, subdivision 2.

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

Sec. 38. Minnesota Statutes 2022, section 203B.11, subdivision 2, is amended to read:

Subd. 2. **Twenty ~~Forty-five~~ days before an election.** During the ~~20~~ 45 days preceding an election, the election judges ~~shall~~ must deliver absentee ballots only to an eligible voter who has applied for absentee ballots to the county auditor or municipal clerk under section 203B.04, subdivision 1.

Sec. 39. Minnesota Statutes 2022, section 203B.11, subdivision 4, is amended to read:

Subd. 4. **Agent delivery of ballots.** During the seven days preceding an election and until ~~2:00~~ 8:00 p.m. on election day, an eligible voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient of a health care facility, a resident of ~~a facility providing an~~ assisted living ~~services governed by~~ facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4, may designate an agent to deliver the ballots to the voter from the county auditor or municipal clerk. An agent must have a preexisting relationship with the voter. A candidate at the election may not be designated as an agent. The voted ballots must be returned to the county auditor or municipal clerk no later than ~~3:00~~ 8:00 p.m. on election day. The voter must complete an affidavit requesting the auditor or clerk to provide the agent with the ballots in a sealed transmittal envelope. The affidavit must include a statement from the voter stating that the ballots were delivered to the voter by the agent in the sealed transmittal envelope. An agent may deliver ballots to no more than three persons in any election. The secretary of state shall provide samples of the affidavit and transmission envelope for use by the county auditors.

Sec. 40. Minnesota Statutes 2022, section 203B.12, subdivision 7, is amended to read:

Subd. 7. **Names of persons; rejected absentee ballots.** ~~(a) The names of voters who have submitted an absentee ballot to the county auditor or municipal clerk that has not been accepted may not be made available for public inspection until the close of voting on election day.~~

~~(b) After the close of voting on election day, the lists~~ must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

Sec. 41. Minnesota Statutes 2022, section 203B.12, is amended by adding a subdivision to read:

Subd. 9. Names of persons; early voting. The secretary of state must maintain a list of voters who cast a ballot using the early voting procedures established in section 203B.30 for all elections at which those procedures are used. The list must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 42. Minnesota Statutes 2022, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots or to administer early voting must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22. The board may include deputy county auditors or deputy city clerks who have received training in the processing and counting of absentee ballots. Each member of the ballot board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 43. Minnesota Statutes 2022, section 203B.121, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the ~~close of business on the seventh~~ 19th day before the election, ~~by absentee ballot as provided by section 203B.081.~~

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the secrecy envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Sec. 44. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted or that the voter has cast a ballot pursuant to the early voting procedures provided in this chapter. After the close of business on the ~~seventh~~ 19th day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal ~~or~~ state, or county office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee and early voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

(1) by the county auditor or municipal clerk before election day;

(2) by the ballot board before election day; or

(3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 45. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted. After the close of business on the ~~seventh~~ 19th day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal or state office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

- (1) by the county auditor or municipal clerk before election day;
- (2) by the ballot board before election day; or
- (3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

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

Sec. 46. Minnesota Statutes 2022, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the ~~seventh~~ 19th day before the election, the ballots from secrecy envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 47. Minnesota Statutes 2022, section 203B.16, subdivision 2, is amended to read:

Subd. 2. **Indefinite residence outside United States.** Sections 203B.16 to 203B.27 provide the exclusive voting procedure for United States citizens who are living indefinitely outside the territorial limits of the United States who meet all the qualifications of an eligible voter except residence in Minnesota, but who are authorized by federal law to vote in Minnesota because they or, if they have never ~~resided~~ maintained residence in the United States, a parent maintained residence in Minnesota for at least 20 days immediately prior to their departure from the United States. Individuals described in this subdivision shall be permitted to vote only for the offices of president, vice-president, senator in Congress, and representative in Congress.

Sec. 48. **[203B.29] TRANSMISSION OF BALLOTS UNDER CERTAIN CIRCUMSTANCES.**

Subdivision 1. **Emergency response providers.** Any eligible Minnesota voter who is a trained or certified emergency response provider or utility worker who is deployed during the time period authorized by law for absentee voting, on election day, or during any state of emergency declared by the President of the United States or

any governor of any state within the United States may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter. The county auditor is not required to provide return postage to voters to whom ballots are transmitted electronically.

Subd. 2. **Reasonable accommodation for voter with disability.** Any eligible Minnesota voter with a print disability, including any voter with disabilities that interfere with the effective reading, writing, or use of printed materials, may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically in an accessible format that meets Election Assistance Commission minimum accessibility requirements. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter. The county auditor must also mail the voter materials required under section 203B.07.

Subd. 3. **Returning voted ballots.** A voter receiving a ballot electronically under subdivision 1 or 2 must print and return the voter's voted ballot and the certificate of voter eligibility to the county auditor in a sealed envelope. A voter must not return the ballot or certificate of voter eligibility electronically. A ballot that is returned electronically must not be accepted and must not be counted.

Sec. 49. **[203B.30] PROCEDURES FOR EARLY VOTING.**

Subdivision 1. **Definition.** For purposes of this section, "early voting official" means the county auditor, the city clerk, a deputy of the auditor or clerk, or an election judge.

Subd. 2. **Voting procedure.** (a) When a voter appears in an early voting polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the early voting official. The early voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote or whose name or address has changed must register in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(b) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After the voter signs the certification, two early voting officials must initial the ballot and issue it to the voter. The voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take a ballot from the polling place. If the voter spoils the ballot, the voter may return it to the early voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The early voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

Subd. 3. **Processing of ballots.** The early voting official must remove and secure ballots cast during the early voting period following the procedures in section 203B.121, subdivision 5, paragraph (a). The absentee ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 50. Minnesota Statutes 2022, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. **Form of affidavit.** An affidavit of candidacy shall state the name of the office sought and, except as provided in subdivision 4, shall state that the candidate:

(1) is an eligible voter;

(2) has no other affidavit on file as a candidate for any office at the same primary or next ensuing general election, except ~~that a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County, may also have on file an affidavit of candidacy for mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district or for town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district~~ as authorized by subdivision 9; and

(3) is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which the candidate seeks election for 30 days before the general election.

An affidavit of candidacy must include a statement that the candidate's name as written on the affidavit for ballot designation is the candidate's true name or the name by which the candidate is commonly and generally known in the community.

An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less.

Sec. 51. Minnesota Statutes 2022, section 204B.06, subdivision 1b, is amended to read:

Subd. 1b. **Address, electronic mail address, and telephone number.** (a) An affidavit of candidacy must state a telephone number where the candidate can be contacted. An affidavit must also state the candidate's or campaign's nongovernment issued electronic mail address or an attestation that the candidate and the candidate's campaign do not possess an electronic mail address. An affidavit must also state the candidate's address of residence as determined under section 200.031, or at the candidate's request in accordance with paragraph (c), the candidate's campaign contact address. The form for the affidavit of candidacy must allow the candidate to request, if eligible, that the candidate's address of residence be classified as private data, and to provide the certification required under paragraph (c) for classification of that address.

(b) If an affidavit for an office where a residency requirement must be satisfied by the close of the filing period is filed as provided by paragraph (c), the filing officer must, within one business day of receiving the filing, determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. For all other candidates who filed for an office whose residency requirement must be satisfied by the close of the filing period, a registered voter in this state may request in writing that the filing officer receiving the affidavit of candidacy review the address as provided in this paragraph, at any time up to one day after the last day for filing for office. If requested, the filing officer must determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. If the filing officer determines that the address is not within the area represented by the office, the filing officer must immediately notify the candidate and the candidate's name must be removed from the ballot for that office. A determination made by a filing officer under this paragraph is subject to judicial review under section 204B.44.

(c) If the candidate requests that the candidate's address of residence be classified as private data, the candidate must list the candidate's address of residence on a separate form to be attached to the affidavit. The candidate must also certify on the affidavit that either:

(1) a police report has been submitted ~~or~~ an order for protection has been issued, or the candidate has a reasonable fear in regard to the safety of the candidate or the candidate's family; or

(2) ~~that~~ the candidate's address is otherwise private pursuant to Minnesota law.

The address of residence provided by a candidate who makes a request for classification on the candidate's affidavit of candidacy and provides the certification required by this paragraph is classified as private data, as defined in section 13.02, subdivision 12, but may be reviewed by the filing officer as provided in this subdivision.

(d) The requirements of this subdivision do not apply to affidavits of candidacy for a candidate for: (1) judicial office; (2) the office of county attorney; or (3) county sheriff.

Sec. 52. Minnesota Statutes 2022, section 204B.06, subdivision 4a, is amended to read:

Subd. 4a. **State and local offices.** Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(1) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(2) for supreme court justice, court of appeals judge, or district court judge, that the candidate is learned in the law and will not turn 70 years of age before the first Monday in January of the following year;

(3) for county, municipal, school district, or special district office, that the candidate meets any other qualifications for that office prescribed by law;

(4) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have ~~resided~~ maintained residence not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election.

Sec. 53. Minnesota Statutes 2022, section 204B.06, is amended by adding a subdivision to read:

Subd. 9. **Multiple affidavits of candidacy.** Notwithstanding subdivision 1, clause (2):

(1) a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County may also have on file an affidavit of candidacy for:

(i) mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district; or

(ii) town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district; and

(2) a candidate for school board member may also have on file an affidavit of candidacy for town board supervisor, unless that town board is exercising the powers of a statutory city under section 368.01 or an applicable special law.

Sec. 54. Minnesota Statutes 2022, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. **Candidates in state and county general elections.** (a) Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state, and federal offices filled at the state general election shall be filed not more than 84 days nor less than 70 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period.

(b) Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer or an individual authorized to administer oaths under section 358.10.

(c) This provision does not apply to candidates for presidential elector nominated by major political parties. Major party candidates for presidential elector are certified under section 208.03. Other candidates for presidential electors may file petitions at least 77 days before the general election day pursuant to section 204B.07. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing.

(d) Affidavits and petitions for county offices must be filed with the county auditor of that county. Affidavits and petitions for federal offices must be filed with the secretary of state. Affidavits and petitions for state offices must be filed with the secretary of state or with the county auditor of the county in which the candidate ~~resides~~ maintains residence.

(e) Affidavits other than those filed pursuant to subdivision 1a must be submitted by mail or by hand, notwithstanding chapter 325L, or any other law to the contrary and must be received by 5:00 p.m. on the last day for filing.

Sec. 55. Minnesota Statutes 2022, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the seventh day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.

(b) The governing body of a statutory or home rule charter city may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may:

(1) require the candidate to file a written request with the chief election official at least seven days before the city election if the candidate wants to have the candidate's write-in votes individually recorded; or

(2) require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

If the governing body of the statutory or home rule charter city adopts a resolution authorized by this paragraph, the resolution must be adopted before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body of the statutory or home rule charter city.

(c) The governing body of a township, school board, hospital district, park district, soil and water district, or other ancillary elected district may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

~~(b) (d)~~ A candidate for president of the United States who files a request under this subdivision must ~~file jointly with another individual seeking nomination as a candidate for vice president of the United States. A candidate for vice president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as~~ include the name of a candidate for vice president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

~~(e)~~ (e) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

Sec. 56. Minnesota Statutes 2022, section 204B.13, is amended by adding a subdivision to read:

Subd. 6a. **Candidates for federal office.** This section does not apply to a vacancy in nomination for a federal office.

Sec. 57. Minnesota Statutes 2022, section 204B.14, subdivision 2, is amended to read:

Subd. 2. **Separate precincts; combined polling place.** (a) The following shall constitute at least one election precinct:

- (1) each city ward; and
- (2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than November 1 if a presidential nomination primary is scheduled to occur in the following year or May 1 of any other year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for contiguous precincts in the same municipality;

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section 200.02, subdivision 24, that are contained in the same county; or

(4) for noncontiguous precincts located in one or more counties.

Subject to the requirements of paragraph (c), a single, accessible, combined polling place may be established after May 1 of any year in the event of an emergency.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A polling place combined under clause (4) must be approved by the governing body of each participating municipality and the secretary of state and may be located outside any of the noncontiguous precincts. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than October 1 if a presidential nomination primary is scheduled to occur in the following year or April 1 of any other year, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place, except that in a precinct that uses electronic rosters the secretary of state shall provide separate data files for each precinct. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

(c) If a local elections official determines that an emergency situation preventing the safe, secure, and full operation of a polling place on election day has occurred or is imminent, the local elections official may combine two or more polling places for that election pursuant to this subdivision. To the extent possible, the polling places must be combined and the election conducted according to the requirements of paragraph (b), except that:

- (1) polling places may be combined after May 1 and until the polls close on election day;
- (2) any city or town, regardless of size or location, may establish a combined polling place under this paragraph;
- (3) the governing body is not required to adopt an ordinance or resolution to establish the combined polling place;
- (4) a polling place combined under paragraph (b), clause (3) or (4), must be approved by the local election official of each participating municipality;
- (5) the local elections official must immediately notify the county auditor and the secretary of state of the combination, including the reason for the emergency combination and the location of the combined polling place. As soon as possible, the local elections official must also post a notice stating the reason for the combination and the location of the combined polling place. The notice must also be posted on the governing board's website, if one exists. The local elections official must also notify the election judges and request that local media outlets publicly announce the reason for the combination and the location of the combined polling place; and
- (6) on election day, the local elections official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the combined polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the combined polling place will be extended until the specified time.

Sec. 58. Minnesota Statutes 2022, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** (a) By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution ~~a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made:~~ any changes to a polling place location. A polling place must be maintained for the following calendar year unless changed:

- (1) by ordinance or resolution by December 31 of the previous year:
- ~~(2)~~ (2) pursuant to section 204B.175;
- ~~(3)~~ (3) because a polling place has become unavailable;
- ~~(4)~~ (4) because a township designates one location for all state, county, and federal elections and one location for all township only elections; and
- ~~(5)~~ (5) pursuant to section 204B.14, subdivision 3.

(b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 59. Minnesota Statutes 2022, section 204B.19, subdivision 6, is amended to read:

Subd. 6. ~~High school students~~ **Trainee election judges.** (a) Notwithstanding any other requirements of this section, a student enrolled in a high school in Minnesota or who is in a home school in compliance with sections 120A.22 and 120A.24, who has attained the age of 16 is eligible to be appointed as a without party affiliation trainee election judge in the county in which the student ~~resides~~ maintains residence, or a county adjacent to the county in which the student ~~resides~~ maintains residence. The student must meet qualifications for trainee election judges specified in rules of the secretary of state. A student appointed under this subdivision while enrolled in a high school or receiving instruction in a home school may continue to serve as a trainee election judge after the student graduates and until the student reaches the age of 18.

(b) A student appointed as a trainee election judge may be excused from school attendance during the hours that the student is serving as a trainee election judge if the student submits a written request signed and approved by the student's parent or guardian to be absent from school and a certificate from the appointing authority stating the hours during which the student will serve as a trainee election judge to the principal of the school at least ten days prior to the election. ~~Students shall not serve as~~ A trainee election judges judge shall not serve after 10:00 p.m. Notwithstanding section 177.24 to the contrary, trainee election judges may be paid not less than two-thirds of the minimum wage for a large employer. The principal of the school may approve a request to be absent from school conditioned on acceptable academic performance at the time of service as a trainee election judge.

Sec. 60. Minnesota Statutes 2022, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory and for performing election-related duties assigned by the county auditor shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Except as otherwise provided in this section, appointments shall be made from the list of voters who ~~reside~~ maintain residence in each precinct, furnished pursuant to subdivision 1, subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required after all listed names in that municipality have been exhausted, the appointing authority may appoint other individuals who meet the qualifications to serve as an election judge, including persons on the list furnished pursuant to subdivision 1 who indicated a willingness to travel to the municipality, and persons who are not affiliated with a major political party. An individual who is appointed from a source other than the list furnished pursuant to subdivision 1 must provide to the appointing authority the individual's major political party affiliation or a statement that the individual does not affiliate with any major political party. An individual who refuses to provide the individual's major political party affiliation or a statement that the individual does not affiliate with a major political party must not be appointed as an election judge. The appointments shall be made at least 25 days before the election at which the election judges will serve, except that the appointing authority may pass a resolution authorizing the appointment of additional election judges within the 25 days before the election if the appointing authority determines that additional election judges will be required.

Sec. 61. Minnesota Statutes 2022, section 204B.26, is amended to read:

204B.26 ELECTION JUDGES; VIOLATIONS; PENALTIES.

A county auditor or municipal clerk may remove any precinct election official at any time if the official engages in a neglect of duty, malfeasance, misconduct in office, or for other cause. Any individual who serves as an election judge in violation of any of the provisions of sections 204B.19 to 204B.25, is guilty of a misdemeanor.

Sec. 62. Minnesota Statutes 2022, section 204B.28, subdivision 2, is amended to read:

Subd. 2. **Election supplies; duties of county auditors and clerks.** (a) Except as otherwise provided for absentee ballots in this section and in section 204B.35, subdivision 4, the county auditor shall complete the preparation of the election materials for which the auditor is responsible at least four days before every state primary and state general election. At any time after all election materials are available from the county auditor but not later than four days before the election each municipal clerk shall secure from the county auditor:

(a) (1) the forms that are required for the conduct of the election;

(b) (2) any printed voter instruction materials furnished by the secretary of state;

(c) (3) any other instructions for election officers; and

(d) (4) a sufficient quantity of the official ballots, registration files, envelopes for ballot returns, and other supplies and materials required for each precinct in order to comply with the provisions of the Minnesota Election Law. The county auditor may furnish the election supplies to the municipal clerks in the same manner as the supplies are furnished to precincts in unorganized territory pursuant to section 204B.29, subdivision 1.

(b) The county auditor must prepare and make available election materials for early voting to city clerks designated to administer early voting under section 203B.05 at least one day prior to the beginning of the early voting period as provided in section 203B.081.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 63. Minnesota Statutes 2022, section 204B.32, subdivision 2, is amended to read:

Subd. 2. **Allocation of election expenses.** The secretary of state shall develop procedures for the allocation of election expenses among counties, municipalities, and school districts for elections that are held concurrently. The following expenses must be included in the procedures: salaries of election judges; postage for absentee ballots and applications; preparation of polling places; preparation and testing of electronic voting systems; ballot preparation; publication of election notices and sample ballots, including the notice required by section 204D.16; transportation of ballots and election supplies; and compensation for administrative expenses of the county auditor, municipal clerk, or school district clerk.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 64. Minnesota Statutes 2022, section 204B.35, is amended by adding a subdivision to read:

Subd. 6. **Electronic voting systems.** Notwithstanding sections 204B.35 to 204B.44 and chapter 204D, a jurisdiction may prepare blank paper ballots, if the jurisdiction employs an electronic voting system and the required information is instead displayed on a touch screen or other electronic device in a format that substantially meets the requirements of law.

Sec. 65. Minnesota Statutes 2022, section 204B.45, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A town of any size ~~not located in a metropolitan county as defined by section 473.121, or a city having fewer than 400 registered voters on June 1 of an election year and not located in a metropolitan county as defined by section 473.121,~~ may provide balloting by mail at any municipal, county, or state election with no polling place other than the office of the auditor or clerk or other locations designated by the auditor

or clerk. The governing body may apply to the county auditor for permission to conduct balloting by mail. The county board may provide for balloting by mail in unorganized territory. The governing body of any municipality may designate for mail balloting any precinct having fewer than 100 registered voters, subject to the approval of the county auditor.

Voted ballots may be returned in person to any location designated by the county auditor or municipal clerk.

Sec. 66. Minnesota Statutes 2022, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure; voting prior to election day.** Notice of the election and the special mail procedure must be given at least ten weeks prior to the election. Not more than 46 days nor later than 14 days before a regularly scheduled election and not more than 30 days nor later than 14 days before any other election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the city, town, or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "accepted" or "rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors or deputy municipal clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. ~~After the close of business~~ On the ~~seventh~~ 18th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter ~~resides~~ maintains residence. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 67. Minnesota Statutes 2022, section 204B.45, is amended by adding a subdivision to read:

Subd. 2a. **Procedure; voting on election day.** (a) The county auditor may make available a ballot counter and ballot box for use during voting hours on election day by the voters voting under this section. If a ballot counter and ballot box is provided on election day, a voter must be given the option to either:

(1) vote using the procedures provided in subdivision 2; or

(2) vote in the manner provided in this subdivision.

(b) When a voter appears in the designated polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the mail ballot voting official. The mail ballot voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote or whose name or address has changed must register in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(c) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After signing the voter certification, two mail ballot voting officials must initial the ballot and issue it to the voter, and the voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take the ballot from the polling place. If the voter spoils the ballot, the voter may return it to the mail ballot voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The mail ballot voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(d) The mail ballot voting official must remove and secure the ballots following the procedures in section 203B.121, subdivision 5, paragraph (a). The absentee ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

(e) For purposes of this subdivision, "mail ballot voting official" means the county auditor, the city clerk, a deputy of the auditor or clerk, or an election judge assigned by the auditor or clerk.

Sec. 68. Minnesota Statutes 2022, section 204B.46, is amended to read:

204B.46 MAIL ELECTIONS; QUESTIONS.

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. No offices may be voted on at a mail election-, except in overlapping school and municipality jurisdictions, where a mail election may include an office when one of the jurisdictions also has a question on the ballot. Notice of the election must be given to the county auditor at least 74 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. Not more than 46 nor later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. No later than 14 days before the election, the auditor or clerk must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "Accepted" or "Rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors, deputy municipal clerks, or deputy school district clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk must provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. ~~After the close of business~~ On the ~~seventh~~ 18th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the ballot board, and deposited in the appropriate ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from ballots may be made public before the close of voting on election day.

Sec. 69. Minnesota Statutes 2022, section 204B.49, is amended to read:

204B.49 "I VOTED" STICKERS.

The secretary of state, county auditor, municipal clerk, school district clerk, or an election judge may provide a sticker containing the words "I VOTED," and nothing more, to an individual who:

(1) has successfully deposited a ballot into a ballot box, ~~under section 203B.081, subdivision 3, or 204C.13, subdivision 5;~~

(2) is provided an absentee ballot under section 203B.07, subdivision 1, or 203B.21, subdivision 2; or

(3) is provided a ballot by mail under section 204B.45 or 204B.46.

Sec. 70. Minnesota Statutes 2022, section 204C.04, subdivision 1, is amended to read:

Subdivision 1. **Right to be absent.** Every employee who is eligible to vote in an election has the right to be absent from work for the time necessary to appear at the employee's polling place, cast a ballot, and return to work on the day of that election or during the time period allowed under section 203B.081 for voting in person before election day, without penalty or deduction from salary or wages because of the absence. An employer or other person may not directly or indirectly refuse, abridge, or interfere with this right or any other election right of an employee.

Sec. 71. Minnesota Statutes 2022, section 204C.07, subdivision 4, is amended to read:

Subd. 4. **Restrictions on conduct.** An election judge ~~may~~ must not be appointed as a challenger. The election judges ~~shall~~ must permit challengers appointed pursuant to this section to be present in the polling place during the hours of voting and to remain there until the votes are counted and the results declared. ~~No~~ A challenger ~~shall~~ must ~~not~~ handle or inspect registration cards, files, or lists. Challengers ~~shall~~ must not prepare in any manner any list of individuals who have or have not voted. They ~~shall~~ must not attempt to influence voting in any manner. ~~They shall~~ In accordance with section 204C.12, challengers must not converse with a voter ~~except to determine, in the presence of an election judge, whether the voter is eligible to vote in the precinct.~~

Sec. 72. Minnesota Statutes 2022, section 204C.15, subdivision 1, is amended to read:

Subdivision 1. **Physical assistance in marking ballots.** A voter who claims a need for assistance because of inability to read English or physical inability to mark a ballot may obtain the aid of two election judges who are members of different major political parties. The election judges shall mark the ballots as directed by the voter and in as secret a manner as circumstances permit. A voter in need of assistance may alternatively obtain the assistance of any individual the voter chooses. Only the following persons may not provide assistance to a voter: the voter's

employer, an agent of the voter's employer, or an officer or agent of the voter's union, or a candidate for election. The person who assists the voter shall, unaccompanied by an election judge, retire with that voter to a booth and mark the ballot as directed by the voter. ~~No person who assists another voter as provided in the preceding sentence shall mark the ballots of more than three voters at one election.~~ Before the ballots are deposited, the voter may show them privately to an election judge to ascertain that they are marked as the voter directed. An election judge or other individual assisting a voter shall not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. The election judges or other individuals who assist the voter shall not reveal to anyone the name of any candidate for whom the voter has voted or anything that took place while assisting the voter.

Sec. 73. Minnesota Statutes 2022, section 204C.19, subdivision 3, is amended to read:

Subd. 3. **Premature disclosure of count results.** No count results from any precinct shall be disclosed by any election judge or other individual until all count results from that precinct are available, nor shall the public media disclose any count results from any precinct before the time when voting is scheduled to end in the state. Count results from absentee ballots received by the county after 3:00 p.m. on election day may be added to the total count results after the initial results reporting of the precinct. If the precinct results do not include all absentee ballots, the county must report to the secretary of state and on the county's website the number of absentee ballots remaining to be processed.

Sec. 74. Minnesota Statutes 2022, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. **Information requirements.** Precinct summary statements shall be submitted by the election judges in every precinct. For all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(1) the number of ballots delivered to the precinct as adjusted by the actual count made by the election judges, the number of unofficial ballots made, and the number of absentee ballots delivered to the precinct;

(2) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes, the number of overvotes, and the number of defective ballots with respect to each office or question;

(3) the number of spoiled ballots, the number of duplicate ballots made, the number of absentee ballots rejected, and the number of unused ballots, presuming that the total count provided on each package of unopened prepackaged ballots is correct;

(4) the number of voted ballots indicating only a voter's choices as provided by section 206.80, paragraph (b), clause (2), item (ii);

(5) the number of individuals who voted at the election in the precinct which must equal the total number of ballots cast in the precinct, as required by sections 204C.20 and 206.86, subdivision 1;

~~(5) (6)~~ the number of voters registering on election day in that precinct; ~~and~~

~~(6) (7)~~ the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question;

(8) the number of election judges that worked in that precinct on election day; and

(9) the number of voting booths used in that precinct on election day.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 75. Minnesota Statutes 2022, section 204C.28, subdivision 1, is amended to read:

Subdivision 1. **County auditor.** (a) Every county auditor shall must remain at the auditor's office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes until all have been tabulated and the results made known, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first, unless the county auditor adjourns absentee ballot counting. Every county auditor shall must, in the presence of the municipal clerk or the election judges who deliver the returns, make a record of all materials delivered, the time of delivery, and the names of the municipal clerk or election judges who made delivery. The record must include the number of ballots delivered to the precinct, as certified by section 204B.28, and the total number of ballots returned, as certified by the election judges under section 204C.24. A discrepancy between the number of ballots delivered to the precinct and the number of total ballots returned by election judges that cannot be reconciled by taking into account the adjustments made by the election judge counts and any unofficial ballots must be noted, but does not necessarily require disqualification of the votes from that precinct or invalidation of the election. The county auditor shall must file the record and all envelopes containing ballots in a safe and secure place with envelope seals unbroken. Access to the record and ballots shall must be strictly controlled. Accountability and a record of access shall must be maintained by the county auditor during the period for contesting elections or, if a contest is filed, until the contest has been finally determined. Thereafter, the record shall must be retained in the auditor's office for the same period as the ballots as provided in section 204B.40.

(b) The county auditor shall must file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes were previously are opened by proper authority for examination or recount as specifically authorized by a court or statute, the county auditor shall must have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county canvassing board auditor if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots. In that case, the envelopes shall must be sealed again and signed in the same manner as otherwise provided in this subdivision.

Sec. 76. Minnesota Statutes 2022, section 204C.33, subdivision 3, is amended to read:

Subd. 3. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area on the third Tuesday following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:

- (1) the number of individuals voting in the state and in each county;
- (2) the number of votes received by each of the candidates, specifying the counties in which they were cast; and
- (3) the number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.

Upon completion of the canvass, the State Canvassing Board shall declare the candidates duly elected who received the highest number of votes for each federal and state office. All members of the State Canvassing Board shall sign the report and certify its correctness. The State Canvassing Board shall declare the result within three days after completing the canvass.

Sec. 77. Minnesota Statutes 2022, section 204C.35, is amended by adding a subdivision to read:

Subd. 5. **Challenged ballots.** Notwithstanding any law to the contrary, a canvassing board may direct a recount official to make images of ballots challenged by a candidate in a recount available to the public.

Sec. 78. Minnesota Statutes 2022, section 204C.39, subdivision 1, is amended to read:

Subdivision 1. **Manner of correction.** A county canvassing board may determine by majority vote that the election judges have made an obvious error in counting or recording the votes for an office. The county canvassing board shall then promptly notify all candidates for that office of the determination, including a description of the error. ~~A candidate who receives notification pursuant to this subdivision or any candidate who believes that the election judges in a precinct have made an obvious error in the counting or recording of the votes for an office may~~ The county canvassing board must also instruct the county auditor to apply without unreasonable delay to the district court of the county containing the precinct in which the alleged error was made for an order determining whether or not an obvious error has been made. The ~~applicant~~ auditor shall describe the alleged error in the application and may submit additional evidence as directed by the court. The ~~applicant~~ auditor shall notify the county canvassing board and all candidates for the affected office in the manner directed by the court. If the court finds that the election judges made an obvious error it shall issue an order specifying the error and directing the county canvassing board to inspect the ballots and returns of the precinct in order to correct the error and to proceed further in accordance with this section or otherwise as the court may direct.

Sec. 79. Minnesota Statutes 2022, section 204D.08, subdivision 5, is amended to read:

Subd. 5. **Party columns; arrangement.** The names of candidates for nomination of the major political party that received the smallest average vote at the last state general election must be placed in the first column on the left side of the ballot. The names of candidates for nomination of the major political party that received the next smallest average vote at the last state general election must be placed in the second column, and so on. The average vote shall be computed ~~in the manner provided in section 204D.13, subdivision 2~~ by dividing the total number of votes counted for all of the party's candidates for statewide office at the state general election by the number of those candidates at the election.

Sec. 80. Minnesota Statutes 2022, section 204D.08, subdivision 6, is amended to read:

Subd. 6. **State and county nonpartisan primary ballot.** The state and county nonpartisan primary ballot shall be headed "State and County Nonpartisan Primary Ballot." It shall be printed in the manner provided in the rules of the secretary of state. The names of candidates for nomination to the supreme court, court of appeals, district court, ~~and all county offices, all city offices, and all school district offices~~ shall be placed on this ballot.

No candidate whose name is placed on the state and county nonpartisan primary ballot shall be designated or identified as the candidate of any political party or in any other manner except as expressly provided by law.

Sec. 81. Minnesota Statutes 2022, section 204D.09, subdivision 2, is amended to read:

Subd. 2. **Sample ballot.** At least 46 days before the state primary the county auditor ~~shall~~ must prepare a sample ballot for each precinct for public inspection and transmit an electronic copy of these sample ballots to the secretary of state. The names of the candidates to be voted for in the county ~~shall~~ must be placed on the sample ballots, with the names of the candidates for each office arranged in the base rotation as determined by section 206.61, subdivision 5. The county auditor ~~shall~~ must post the sample ballots in a conspicuous place in the auditor's office ~~and shall cause them to be published.~~ At least one week before the state primary, the county auditor must publish a notice to voters pursuant to section 204D.16 in at least one newspaper of general circulation in the county.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 82. Minnesota Statutes 2022, section 204D.14, subdivision 1, is amended to read:

Subdivision 1. **Rotation of names.** The names of candidates for partisan and nonpartisan offices on the state general election ballot and the judicial nonpartisan general election ballot shall be rotated in the manner provided for rotation of names on state partisan primary ballots by section 204D.08, subdivision 3.

Sec. 83. Minnesota Statutes 2022, section 204D.16, is amended to read:

204D.16 SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.

(a) At least 46 days before the state general election, the county auditor ~~shall~~ must post sample ballots for each precinct in the auditor's office for public inspection and transmit an electronic copy of these sample ballots to the secretary of state.

(b) No earlier than ~~45~~ 20 days and no later than ~~two~~ ten days before the state general election the county auditor ~~shall~~ must cause a ~~sample state general election ballot~~ notice to voters to be published in at least one newspaper of general circulation in the county. The secretary of state, in collaboration with stakeholders, must design the notice to be published, including the format and content to be used. The secretary of state, in collaboration with stakeholders, may modify the content or format of the notice to be used by metropolitan counties, as defined in section 473.121, subdivision 4. When published, the notice must be sized so that it comprises a minimum of one full newspaper page.

(c) The notice required by paragraph (b) must, at minimum, include the following:

(1) a statement that the voter's official ballot will have the names of all candidates for the voter's precinct;

(2) the web address where a voter may view the voter's sample ballot based on the voter's address;

(3) the county's website where a list of sample ballots for each county precinct may be viewed;

(4) how a voter may obtain a free copy of a sample ballot specific to the voter's address; and

(5) contact information for the appropriate local election official, including a phone number and email address.

The notice may include information about contests on the ballot; names, offices, and party affiliation, if any, of candidates; polling place locations; poll hours; and absentee voting information.

(d) For purposes of this section, "stakeholder" means local government election officials and representatives of the Minnesota Newspaper Association.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 84. Minnesota Statutes 2022, section 204D.19, subdivision 2, is amended to read:

Subd. 2. **Special election when legislature will be in session.** Except for vacancies in the legislature which occur at any time between the last day of session in an odd-numbered year and the ~~40th~~ 54th day prior to the opening day of session in the succeeding even-numbered year, when a vacancy occurs and the legislature will be in session so that the individual elected as provided by this section could take office and exercise the duties of the office immediately upon election, the governor shall issue within five days after the vacancy occurs a writ calling for a special election. The special election shall be held as soon as possible, consistent with the notice requirements of section 204D.22, subdivision 3, but in no event more than ~~35~~ 49 days after the issuance of the writ. ~~A special election must not be held during the four days before or the four days after a holiday as defined in section 645.44, subdivision 5.~~

Sec. 85. Minnesota Statutes 2022, section 204D.22, subdivision 3, is amended to read:

Subd. 3. **Notice of special election.** The county auditor of a county in which a special election is to be held shall direct the clerk of each municipality in which the election is to be held to post a notice of the special primary and special election at least ~~seven~~ 14 days before the special primary and at least ~~14~~ 21 days before the special election in the manner provided in sections 204B.33 and 204B.34. If the special primary is to be held ~~14~~ 21 days before the special election, a single notice of both elections may be posted seven days before the primary.

When the special primary or special election is to be held on the same day as any other election, notice of the special primary or special election may be included in the notice of the other election, if practicable.

Sec. 86. Minnesota Statutes 2022, section 204D.23, subdivision 2, is amended to read:

Subd. 2. **Time of filing.** Except as provided in subdivision 3, the affidavits and petitions shall be filed no later than ~~14~~ 21 days before the special primary.

Sec. 87. Minnesota Statutes 2022, section 204D.25, subdivision 1, is amended to read:

Subdivision 1. **Form.** Except as provided in subdivision 2, the county auditor ~~shall~~ must prepare separate ballots for a special primary and special election as required by sections 204D.17 to 204D.27. The ballots ~~shall~~ must be headed "Special Primary Ballot" or "Special Election Ballot" as the case may be, followed by the date of the special primary or special election. Immediately below the title of each office to be filled ~~shall~~ must be printed the words "To fill vacancy in term expiring, " with the date of expiration of the term and any other information that is necessary to distinguish the office from any other office to be voted upon at the same election. For a special primary or special election, the instructions to voters may use the singular form of the word when referring to candidates and offices when only one office is to be filled at the special election. Otherwise the form of the ballots ~~shall~~ must comply as far as practicable with the laws relating to ballots for state primaries and state general elections. The county auditor ~~shall~~ must post a sample of each ballot in the auditor's office as soon as prepared and not later than four days before the special primary or special election. Publication of the ~~sample ballot notice to voters pursuant to section 204D.16~~ for a special primary or special election is not required.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 88. Minnesota Statutes 2022, section 205.13, subdivision 5, is amended to read:

Subd. 5. **Nominating petition; cities of the first class.** A nominating petition filed on behalf of a candidate for municipal office in a city of the first class shall be signed by eligible voters who ~~reside~~ maintain residence in the election district from which the candidate is to be elected. The number of signers shall be at least 500, or two percent of the total number of individuals who voted in the municipality, ward, or other election district at the last preceding municipal general election, whichever is greater.

Sec. 89. Minnesota Statutes 2022, section 205.16, subdivision 2, is amended to read:

Subd. 2. **Sample ballot, publication.** For every municipal election, the municipal clerk ~~shall~~ must, at least two weeks before the election, publish a ~~sample ballot notice to voters pursuant to section 204D.16~~ in the official newspaper of the municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 90. Minnesota Statutes 2022, section 205.175, subdivision 3, is amended to read:

Subd. 3. **Other municipalities.** The governing body of a municipality other than a municipality described in subdivision 2, may by resolution adopted prior to giving notice of the election, designate the time, in addition to the minimum voting hours provided in subdivision 1, during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections. The resolution shall remain in force until it is revoked by the municipal governing body or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last municipal election, is presented to the municipal clerk no later than 30 days prior to the municipal election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The municipal clerk shall give ten days' notice of the changed voting hours and notify the county auditor and secretary of state of the change. Municipalities covered by this subdivision shall certify their election hours to the county auditor in January of each year.

Sec. 91. Minnesota Statutes 2022, section 205A.09, subdivision 2, is amended to read:

Subd. 2. **Other school districts.** At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. All polling places must be open between the hours of 5:00 p.m. and 8:00 p.m. The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors and the secretary of state of the change.

Sec. 92. Minnesota Statutes 2022, section 205A.10, subdivision 5, is amended to read:

Subd. 5. **School district canvassing board.** For the purpose of a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school district canvassing board shall consist of one member of the school board other than the clerk, selected by the board, the clerk of the school board, the county auditor of the county in which the greatest number of school district residents ~~reside~~ maintain residence, the court administrator of the district court of the judicial district in which the greatest number of school district residents ~~reside~~ maintain residence, and the mayor or chair of the town board of the school district's most populous municipality. Any member of the canvassing board may appoint a designee to appear at the meeting of the board, except that no designee may be a candidate for public office. If one of the individuals fails to appear at the meeting of the canvassing board, the county auditor shall appoint an eligible voter of the school district, who must not be a member of the school board, to fill the vacancy. Not more than two school board members shall serve on the canvassing board at one time. Four members constitute a quorum.

The school board shall serve as the school district canvassing board for the election of school board members.

Sec. 93. Minnesota Statutes 2022, section 205A.12, subdivision 5, is amended to read:

Subd. 5. **Board elections.** If the proposal for the establishment of election districts is approved by the voters, the board shall specify the election districts from which vacancies shall be filled as they occur until such time as each board member represents an election district. A candidate for school board in a subsequent election must file an affidavit of candidacy to be elected as a school board member for the election district in which the candidate ~~resides~~ maintains residence. If there are as many election districts as there are members of the board, one and only one member of the board shall be elected from each election district. In school districts where one or more board members are elected by election districts, candidates must indicate on the affidavit of candidacy the number of the district from which they seek election or, if appropriate, that they seek election from one of the offices elected at large. If the election districts have two or three members each, the terms of the members must be staggered. Each board member must be a resident of the election district for which elected but the creation of an election district or a change in election district boundaries shall not disqualify a board member from serving for the remainder of a term.

Sec. 94. Minnesota Statutes 2022, section 206.58, subdivision 1, is amended to read:

Subdivision 1. **Municipalities.** (a) The governing body of a municipality, at a regular meeting or at a special meeting called for the purpose, may provide for the use of an electronic voting system in one or more precincts and at all elections in the precincts, subject to approval by the county auditor. Once a municipality has adopted the use of an electronic voting system in one or more precincts, the municipality must continue to use an electronic voting system for state elections in those precincts. The governing body ~~shall~~ **must** disseminate information to the public about the use of a new voting system at least 60 days prior to the election and ~~shall~~ **must** provide for instruction of voters with a demonstration voting system in a public place for the six weeks immediately prior to the first election at which the new voting system will be used.

~~No system may be adopted or used~~ (b) A municipality must not adopt or use a system unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 95. Minnesota Statutes 2022, section 206.58, subdivision 3, is amended to read:

Subd. 3. **Counties.** (a) The governing body of a county may provide for the use of an electronic voting system in one or more precincts of the county at all elections. Once a county has adopted the use of an electronic voting system in one or more precincts, the county must continue to use an electronic voting system for state elections in those precincts. The governing body of the municipality ~~shall~~ **must** give approval before an electronic voting system may be adopted or used in the municipality under the authority of this section.

~~No system may be adopted or used~~ (b) A county must not adopt or use a system unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 96. Minnesota Statutes 2022, section 206.61, subdivision 1, is amended to read:

Subdivision 1. **Official responsible for providing ballots.** (a) The official charged with providing paper ballots when they are used shall provide all ballot cards, sample ballots, precinct summary statements, and other necessary supplies needed for electronic voting systems, except as otherwise provided by this section.

(b) At general elections and primaries the county auditor of each county in which an electronic voting system is used shall provide all ballot cards and other necessary printed forms and supplies needed for the electronic voting system, including all forms needed for voting on candidates and questions, the ballots for which are required by the election laws to be provided by the state when paper ballots are used.

(c) In precincts using a ballot format as provided by section 206.80, paragraph (b), clause (2), voters must be provided the option of voting with a regularly printed optical scan ballot.

Sec. 97. Minnesota Statutes 2022, section 206.80, is amended to read:

206.80 ELECTRONIC VOTING SYSTEMS.

(a) An electronic voting system may not be employed unless it:

(1) permits every voter to vote in secret;

(2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;

(3) provides for write-in voting when authorized;

(4) automatically rejects, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;

(5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote;

(6) automatically rejects all votes cast in a primary election by a voter when the voter votes for candidates of more than one party; and

(7) provides every voter an opportunity to verify votes recorded on the permanent paper ballot, either visually or using assistive voting technology, and to change votes or correct any error before the voter's ballot is cast and counted, produces an individual, discrete, permanent, paper ballot cast by the voter, and preserves the paper ballot as an official record available for use in any recount.

(b) An electronic voting system purchased on or after June 4, 2005, may not be employed unless it:

(1) accepts and tabulates, in the polling place or at a counting center, a marked optical scan ballot; or

(2) creates a ~~marked optical scan~~ ballot that can be tabulated in the polling place or at a counting center by automatic tabulating equipment certified for use in this state and the ballot is:

(i) a marked optical scan ballot; or

(ii) a marked paper ballot indicating, at a minimum, the date of the election; the name of the precinct; an electronically readable precinct identifier or ballot style indicator; and the voter's votes for each office or question, generated from the voter's use of a touch screen or other electronic device on which a complete ballot meeting the information requirements of any applicable law was displayed electronically.

(c) The use of multiple ballot formats of electronic voting systems in a jurisdiction is not a violation of a voter's right to vote in secret, provided that a record of the ballot formats of electronic voting system used by a voter is not recorded by the election judges or any other elections official in any form.

Sec. 98. Minnesota Statutes 2022, section 206.83, is amended to read:

206.83 TESTING OF VOTING SYSTEMS.

~~Within 14~~ At least three days before ~~election day~~ voting equipment is used, the official in charge of elections shall have the voting system tested to ascertain that the system will correctly mark ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes; and (2) processing an additional test deck of ballots marked using the electronic ballot marker for the precinct, including ballots marked using the electronic ballot display, audio ballot reader, and any assistive voting technology used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

Sec. 99. Minnesota Statutes 2022, section 206.845, subdivision 1, is amended to read:

Subdivision 1. **Prohibited connections.** The county auditor and municipal clerk must secure ballot recording and tabulating systems physically and electronically against unauthorized access. Except for wired connections within the polling place, ballot recording and tabulating systems must not be connected to or operated on, directly or

indirectly, any electronic network, including a local area network, a wide-area network, the Internet, or the World Wide Web. Wireless communications may not be used in any way in a vote recording or vote tabulating system. Wireless, device-to-device capability is not permitted. No connection by modem is permitted.

Transfer of information from the ballot recording or tabulating system to another system for network distribution or broadcast must be made by disk, tape, or other physical means of communication, other than direct or indirect electronic connection of the vote recording or vote tabulating system. A county auditor or municipal clerk may not create or disclose, or permit any other person to create or disclose, an electronic image of the hard drive of any vote recording or tabulating system or any other component of an electronic voting system, except as authorized in writing by the secretary of state or for the purpose of conducting official duties as expressly authorized by law.

Sec. 100. Minnesota Statutes 2022, section 206.845, is amended by adding a subdivision to read:

Subd. 3. **Cast vote records.** After the municipal clerk or county auditor has received data from automatic tabulating equipment, textual data from the file is public, with the following exceptions, which are protected nonpublic data under section 13.02:

(1) data that indicate the date, time, or order in which a voter cast a ballot;

(2) data that indicate the method with which a voter cast a ballot;

(3) data files that do not include all ballots cast in a precinct;

(4) data files that provide data in the order it was generated; and

(5) data from precincts in which fewer than ten votes were cast.

Data stored as images are protected nonpublic data under section 13.02.

Sec. 101. Minnesota Statutes 2022, section 206.86, is amended by adding a subdivision to read:

Subd. 5a. **Ballots in precincts with multiple styles of voting system.** In the event the results of a precinct are subject to a recount under section 204C.35 or 204C.36, or are subject to a postelection review under section 206.89, and a ballot format as provided in section 206.80, paragraph (b), clause (2), was used by ten or fewer voters in the precinct, the election judges from that precinct are not eligible to participate in conducting a recount or postelection review in that precinct.

Sec. 102. Minnesota Statutes 2022, section 206.90, subdivision 10, is amended to read:

Subd. 10. **Counting write-in votes.** Notwithstanding section 204C.22, subdivision 4, in precincts using optical scan voting systems, the ballot must be marked in the oval or other target shape opposite the blank when a voter writes an individual's name on the line provided for write-in votes in order to be counted. The judges shall count the write-in votes and enter the number of those votes on forms provided for the purpose. When the write-in votes are recorded on a medium that cannot be examined for write-in votes by the automatic tabulating equipment or the automatic tabulating equipment does not reject, with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to count, all ballot envelopes or other medium on which write-in votes have been recorded must be serially numbered, starting with the number one and the same number must be placed on the ballot card of the voter. The judges shall compare the write-in votes with the votes cast on the ballot card. If the total number of votes for any office exceeds the number allowed by law, a notation to that effect must be entered on the back of the ballot card and the card must be returned to the counting center in an envelope marked "defective ballots"; however, valid votes on ballot cards containing invalid votes must be counted as provided in section 206.86, subdivision 5.

When the write-in votes are recorded on ballot cards that can be examined for write-in votes by the automatic tabulating equipment and the automatic tabulating equipment rejects all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast, the judges shall examine the ballot cards with write-in votes and count the valid write-in votes.

Sec. 103. Minnesota Statutes 2022, section 207A.12, is amended to read:

207A.12 CONDUCTING PRESIDENTIAL NOMINATION PRIMARY.

(a) Except as otherwise provided by law, the presidential nomination primary must be conducted, and the results canvassed and returned, in the manner provided by law for the state primary.

(b) An individual seeking to vote at the presidential nomination primary must be registered to vote pursuant to section 201.054, subdivision 1. The voter must request the ballot of the party for whose candidate the individual wishes to vote. Notwithstanding section 204C.18, subdivision 1, the election judge must record in the polling place roster the name of the political party whose ballot the voter requested. When posting voter history pursuant to section 201.171, the county auditor must include the name of the political party whose ballot the voter requested. The political party ballot selected by a voter is private data on individuals as defined under section 13.02, subdivision 12, except as provided in section 201.091, subdivision 4a. A voter eligible to cast a ballot as provided in section 5B.06 must be permitted to cast a ballot at the presidential nomination primary consistent with the requirements of that section.

(c) Immediately after the state canvassing board declares the results of the presidential nomination primary, the secretary of state must notify the chair of each party of the results.

(d) The results of the presidential nomination primary must bind the election of delegates in each party.

Sec. 104. Minnesota Statutes 2022, section 207A.15, subdivision 2, is amended to read:

Subd. 2. **Reimbursable local expenses.** (a) The secretary of state ~~shall~~ must reimburse the counties and municipalities for expenses incurred in the administration of the presidential nomination primary from money contained in the presidential nomination primary elections account. The following expenses are eligible for reimbursement: preparation and printing of ballots; postage for absentee ballots; publication of ~~the sample ballot notice to voters pursuant to section 204D.16;~~ preparation of polling places in an amount not to exceed \$150 per polling place; preparation of electronic voting systems in an amount not to exceed \$100 per precinct; compensation for temporary staff or overtime payments; salaries of election judges; compensation of county canvassing board members; and other expenses as approved by the secretary of state.

(b) Within 60 days after the results of a presidential nomination primary are certified by the State Canvassing Board, the county auditor must submit a request for payment of the costs incurred by the county for conducting the presidential nomination primary, and the municipal clerk must submit a request for payment of the costs incurred by the municipality for conducting the presidential nomination primary. The request for payment must be submitted to the secretary of state, and must be accompanied by an itemized description of actual county or municipal expenditures, including copies of invoices. In addition, the county auditor or municipal clerk must certify that the request for reimbursement is based on actual costs incurred by the county or municipality in the presidential nomination primary.

(c) The secretary of state ~~shall~~ must provide each county and municipality with the appropriate forms for requesting payment and certifying expenses under this subdivision. The secretary of state must not reimburse expenses unless the request for payment and certification of costs has been submitted as provided in this subdivision. The secretary of state must complete the issuance of reimbursements to the counties and municipalities no later than 90 days after the results of the presidential nomination primary have been certified by the State Canvassing Board.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 105. Minnesota Statutes 2022, section 208.05, is amended to read:

208.05 STATE CANVASSING BOARD.

The State Canvassing Board at its meeting on the date provided in section 204C.33 shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices, and declare the person or persons receiving the highest number of votes for each office duly elected, except that if the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, the State Canvassing Board shall declare duly elected the candidates for presidential electors and alternates identified in accordance with the provisions of that agreement. When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected, except that if the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, no such drawing of lots shall be conducted. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 106. **[208.051] AGREEMENT AMONG THE STATES TO ELECT THE PRESIDENT BY NATIONAL POPULAR VOTE.**

The Agreement Among the States to Elect the President by National Popular Vote is enacted into law and entered into with all other states legally joining in it in substantially the following form:

Article I - Membership

Any state of the United States and the District of Columbia may become a member of this agreement by enacting this agreement.

Article II - Right of the People in Member States to
Vote for President and Vice President

Each member state shall conduct a statewide popular election for president and vice president of the United States.

Article III - Manner of Appointing Presidential Electors in Member States

Prior to the time set by law for the meeting and voting by the presidential electors, the chief election official of each member state shall determine the number of votes for each presidential slate in each state of the United States and in the District of Columbia in which votes have been cast in a statewide popular election and shall add such votes together to produce a national popular vote total for each presidential slate. The chief election official of each member state shall designate the presidential slate with the largest national popular vote total as the national popular vote winner. The presidential elector certifying official of each member state shall certify the appointment in that official's own state of the elector slate nominated in that state in association with the national popular vote winner. At least six days before the day fixed by law for the meeting and voting by the presidential electors, each member state shall make a final determination of the number of popular votes cast in the state for each presidential slate and shall communicate an official statement of such determination within 24 hours to the chief election official of each other member state. The chief election official of each member state shall treat as conclusive an official statement

containing the number of popular votes in a state for each presidential slate made by the day established by federal law for making a state's final determination conclusive as to the counting of electoral votes by Congress. In event of a tie for the national popular vote winner, the presidential elector certifying official of each member state shall certify the appointment of the elector slate nominated in association with the presidential slate receiving the largest number of popular votes within that official's own state. If, for any reason, the number of presidential electors nominated in a member state in association with the national popular vote winner is less than or greater than that state's number of electoral votes, the presidential candidate on the presidential slate that has been designated as the national popular vote winner shall have the power to nominate the presidential electors for that state and that state's presidential elector certifying official shall certify the appointment of such nominees. The chief election official of each member state shall immediately release to the public all vote counts or statements of votes as they are determined or obtained. This article shall govern the appointment of presidential electors in each member state in any year in which this agreement is, on July 20, in effect in states cumulatively possessing a majority of the electoral votes.

Article IV - Other Provisions

This agreement shall take effect when states cumulatively possessing a majority of the electoral votes have enacted this agreement in substantially the same form and the enactments by such states have taken effect in each state. Any member state may withdraw from this agreement, except that a withdrawal occurring six months or less before the end of a president's term shall not become effective until a president or vice president shall have been qualified to serve the next term. The chief executive of each member state shall promptly notify the chief executive of all other states of when this agreement has been enacted and has taken effect in that official's state, when the state has withdrawn from this agreement, and when this agreement takes effect generally. This agreement shall terminate if the electoral college is abolished. If any provision of this agreement is held invalid, the remaining provisions shall not be affected.

Article V - Definitions

For purposes of this agreement:

(1) "chief election official" means the state official or body that is authorized to certify the total number of popular votes for each presidential slate;

(2) "chief executive" means the governor of a state of the United States or the mayor of the District of Columbia;

(3) "elector slate" means a slate of candidates who have been nominated in a state for the position of presidential elector in association with a presidential slate;

(4) "presidential elector" means an elector for president and vice president of the United States;

(5) "presidential elector certifying official" means the state official or body that is authorized to certify the appointment of the state's presidential electors;

(6) "presidential slate" means a slate of two persons, the first of whom has been nominated as a candidate for president of the United States and the second of whom has been nominated as a candidate for vice president of the United States, or any legal successors to such persons, regardless of whether both names appear on the ballot presented to the voter in a particular state;

(7) "state" means a state of the United States and the District of Columbia; and

(8) "statewide popular election" means a general election in which votes are cast for presidential slates by individual voters and counted on a statewide basis.

Sec. 107. **[208.052] CONFLICT OF LAWS.**

When the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, the provisions of that agreement shall take precedence over any conflicting law of this state.

Sec. 108. Minnesota Statutes 2022, section 209.021, subdivision 2, is amended to read:

Subd. 2. **Notice filed with court.** If the contest relates to a nomination or election for statewide office, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. For contests relating to any other office, the contestant shall file the notice of contest with the court administrator of district court in the county where the contestee ~~resides~~ maintains residence.

If the contest relates to a constitutional amendment, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. If the contest relates to any other question, the contestant shall file the notice of contest with the court administrator of district court for the county or any one of the counties where the question appeared on the ballot.

Sec. 109. **[211B.076] INTIMIDATION AND INTERFERENCE RELATED TO THE PERFORMANCE OF DUTIES BY AN ELECTION OFFICIAL; PENALTIES.**

Subdivision 1. **Definition.** For the purposes of this section, "election official" means a member of a canvassing board, the county auditor or municipal clerk charged with duties relating to elections, a member of an absentee ballot board, an election judge, an election judge trainee, or any other individual assigned by a state entity or municipal government to perform official duties related to elections.

Subd. 2. **Intimidation.** (a) A person may not directly or indirectly use or threaten force, coercion, violence, restraint, damage, harm, or loss, including loss of employment or economic reprisal, against another with the intent to influence an election official in the performance of a duty of election administration.

(b) In a civil action brought to prevent and restrain violations of this subdivision or to require the payment of civil penalties, the plaintiff may show that the action or attempted action would cause a reasonable person to feel intimidated. The plaintiff does not need to show that the defendant intended to cause the victim to feel intimidated.

Subd. 3. **Interfering with or hindering the administration of an election.** A person may not intentionally hinder, interfere with, or prevent an election official's performance of a duty related to election administration.

Subd. 4. **Dissemination of personal information about an election official.** (a) A person may not knowingly and without consent make publicly available, including but not limited to through the Internet, personal information about an election official or an election official's family or household member if:

(1) the dissemination poses an imminent and serious threat to the official's safety or the safety of an official's family or household member; and

(2) the person making the information publicly available knows or reasonably should know of any imminent and serious threat.

(b) As used in this subdivision, "personal information" means the home address of the election official or a member of an election official's family, directions to that home, or photographs of that home.

Subd. 5. **Obstructing access.** A person may not intentionally and physically obstruct an election official's access to or egress from a polling place, meeting of a canvassing board, place where ballots and elections equipment are located or stored, or any other place where the election official performs a duty related to election administration.

Subd. 6. **Tampering with voting equipment.** (a) A person may not access without authorization, tamper with, or facilitate unauthorized access to or tampering with an electronic voting system, electromechanical voting equipment, or an election night reporting system before, during, or after any election required by law.

(b) A person may not knowingly publish or cause to be published passwords or other confidential information relating to an electronic voting system. In addition to any other remedies and penalties provided by this section, the secretary of state, county auditor, or municipal clerk must immediately revoke any authorized access rights of a person found to be in violation of this paragraph.

Subd. 7. **Tampering with ballot box.** A person may not willfully tamper with or open a ballot box, including a ballot drop box, except for the purpose of conducting official duties as expressly authorized by law.

Subd. 8. **Tampering with statewide voter registration system, registration list, or polling place roster.** Except for the purpose of conducting official duties as expressly authorized by law, a person may not mutilate or erase any name, figure, or word on a voter registration list or polling place roster; remove or destroy a registration list or polling place roster; or mutilate, erase, or remove any part of a list or roster from the place where it has been deposited with an intention to destroy it, to procure or prevent the election of any person, or to prevent any voter from voting.

Subd. 9. **Unauthorized access to statewide voter registration system.** A person may not knowingly access, or attempt to access, the statewide voter registration system except for the purpose of conducting official duties as expressly authorized by law.

Subd. 10. **Vicarious liability; conspiracy.** A person may be held vicariously liable for any damages resulting from the violation of this section and may be identified in an order restraining violations of this section if that person:

(1) intentionally aids, advises, hires, counsels, abets, incites, compels, or coerces a person to violate any provision of this section or attempts to aid, advise, hire, counsel, abet, incite, compel, or coerce a person to violate any provision of this section; or

(2) conspires, combines, agrees, or arranges with another to either commit a violation of this section or aid, advise, hire, counsel, abet, incite, compel, or coerce a third person to violate any provision of this section.

Subd. 11. **Criminal penalties; civil remedies.** (a) Except as otherwise provided, a person who violates this section is guilty of a gross misdemeanor.

(b) The attorney general, a county attorney, or an election official may bring a civil action to prevent or restrain a violation of this section if there is a reasonable basis to believe that an individual or entity is committing or intends to commit a prohibited act.

(c) The attorney general, or an election official injured by an act prohibited by this section, may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by an election official under section 8.31, subdivision 3a, is in the public interest. In addition to all other damages, the court may impose a civil penalty of up to \$1,000 for each violation.

(d) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. An action for a penalty or remedy under this section must be brought within two years of the date the violation is alleged to have occurred. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to crimes committed on or after that date.

Sec. 110. Minnesota Statutes 2022, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** ~~(a) A person may not display campaign material, post signs, must not ask, solicit, or in any manner try to induce or persuade a voter to vote for or refrain from voting for a candidate or ballot question (1) within a polling place or, (2) within 100 feet of the building in which a polling place is situated, or (3) anywhere on the public property on which a polling place is situated, on primary or election day to vote for or refrain from voting for a candidate or ballot question.~~

~~A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day.~~ (b) During voting hours throughout the absentee voting period and on the day of an election, a person must not wear, exhibit, or distribute in a polling place, or within 100 feet of a building where a polling place is located, any item that displays:

- (1) the name, likeness, logo, or slogan of a candidate who appears on the ballot;
- (2) the number, title, subject, slogan, or logo of a ballot question that appears on the ballot; or
- (3) the name, likeness, logo, or slogan of a political party represented by a candidate on the ballot.

For purposes of this paragraph, "item" includes pamphlets, advertisements, flyers, signs, banners, stickers, buttons, badges, pencils, pens, shirts, hats, or any similar item.

(c) This section applies to areas established by the county auditor or municipal clerk for absentee or early voting as provided in chapter 203B.

(d) This section applies only during the hours in which a polling place is open for voting.

(e) Nothing in this subdivision prohibits the distribution of "I VOTED" stickers as provided in section 204B.49.

Sec. 111. Minnesota Statutes 2022, section 211B.15, subdivision 8, is amended to read:

Subd. 8. **Permitted activity; political party.** It is not a violation of this section for a political party, as defined in section 200.02, subdivision 7 ~~6~~, to form a nonprofit corporation for the sole purpose of holding real property to be used exclusively as the party's headquarters.

Sec. 112. Minnesota Statutes 2022, section 211B.20, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** (a) It is unlawful for a person, either directly or indirectly, to deny access to an apartment house, dormitory, nursing home, manufactured home park, other multiple unit facility used as a residence, or an area in which two or more single-family dwellings are located on private roadways to a candidate who has:

- (1) organized a campaign committee under applicable federal or state law;
- (2) filed a financial report as required by section 211A.02; or
- (3) filed an affidavit of candidacy for elected office.

A candidate granted access under this section must be allowed to be accompanied by campaign volunteers.

(b) Access to a facility or area is only required if it is located within the district or territory that will be represented by the office to which the candidate seeks election, and the candidate and any accompanying campaign volunteers seek access exclusively for the purpose of campaigning for a candidate or registering voters. The candidate must be seeking election to office at the next general or special election to be held for that office.

(c) A candidate and any accompanying campaign volunteers granted access under this section must be permitted to knock on the doors of individual units to speak with residents, and to leave campaign materials for residents at their doors, except that the manager of a nursing home may direct that the campaign materials be left at a central location within the facility. The campaign materials must be left in an orderly manner.

(d) If a facility or area contains multiple buildings, a candidate and accompanying volunteers must be permitted to access more than one building on a single visit, but access is limited to only one building at a time. If multiple candidates are traveling together, each candidate and that candidate's accompanying volunteers is limited to one building at a time, but all of the candidates and accompanying volunteers traveling together must not be restricted to accessing the same building at the same time.

(e) A violation of this section is a petty misdemeanor.

Sec. 113. Minnesota Statutes 2022, section 211B.32, subdivision 1, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.022, subdivision 3, must be filed with the Campaign Finance and Public Disclosure Board.

(c) Violations of section 211B.076 may only be enforced as provided in that section.

Sec. 114. Minnesota Statutes 2022, section 367.03, subdivision 6, is amended to read:

Subd. 6. **Vacancies.** (a) When a vacancy occurs in a town office, the town board shall fill the vacancy by appointment. Except as provided in paragraph (b), the person appointed shall hold office until the next annual town election, when a successor shall be elected for the unexpired term.

(b) When a vacancy occurs in a town office:

(1) with more than one year remaining in the term; and

(2) on or after the 14th day before the first day to file an affidavit of candidacy for the town election;

the vacancy must be filled by appointment. The person appointed serves until the next annual town election following the election for which affidavits of candidacy are to be filed, when a successor shall be elected for the unexpired term.

(c) A vacancy in the office of supervisor must be filled by an appointment committee comprised of the remaining supervisors and the town clerk.

(d) Any person appointed to fill the vacancy in the office of supervisor must, upon assuming the office, be an eligible voter, be 21 years of age, and have ~~resided~~ maintained residence in the town for at least 30 days.

(e) When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled.

(f) When, for any reason, the town board or the appointment committee fails to fill a vacancy in the position of an elected town officer by appointment, a special election may be called. To call a special election, the supervisors and town clerk, or any two of them together with at least 12 other town freeholders, must file a statement in the town clerk's office. The statement must tell why the election is called and that the interests of the town require the election. When the town board or the appointment committee fails to fill a vacancy by appointment, a special town election may also be called on petition of 20 percent of the electors of the town. The percentage is of the number of voters at the last general election. A special town election must be conducted in the manner required for the annual town election.

(g) Law enforcement vacancies must be filled by appointment by the town board.

Sec. 115. Minnesota Statutes 2022, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate ~~resides~~ maintains residence. The affidavit of candidacy must be filed with the city or town clerk not more than 98 days nor less than 84 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 116. **REPEALER.**

Subdivision 1. **Caucus participation.** Minnesota Statutes 2022, section 202A.16, is repealed.

Subd. 2. **Ballot order; partisan candidates.** Minnesota Statutes 2022, sections 204D.04, subdivision 1; and 204D.13, subdivisions 2 and 3, are repealed.

Subd. 3. **Absentee voting.** Minnesota Statutes 2022, section 203B.081, subdivision 2, is repealed effective June 1, 2023.

Sec. 117. **EARLY VOTING CERTIFICATION.**

The secretary of state must certify to the revisor of statutes that the statewide voter registration system has been tested and shown to properly allow for tracking of the information required to conduct early voting and can handle the expected volume of use. As used in this article, "early voting certification" means the certification required by this section.

ARTICLE 3
STRENGTHEN THE FREEDOM TO VOTE

Section 1. Minnesota Statutes 2022, section 13.607, is amended by adding a subdivision to read:

Subd. 9. Ineligible voter data. Any data transferred to the secretary of state regarding applicants who are determined ineligible to register to vote is governed by section 201.161.

Sec. 2. Minnesota Statutes 2022, section 171.06, subdivision 3, as amended by Laws 2023, chapter 13, article 1, section 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; ~~and~~

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c; and

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b; and

(6) meet the requirements under section 201.161, subdivision 3.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.

(e) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

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

Sec. 3. Minnesota Statutes 2022, section 201.054, subdivision 1, is amended to read:

Subdivision 1. **Registration.** (a) An individual may register to vote:

(1) at any time before the 20th day preceding any election as provided in section 201.061, subdivision 1;

(2) on the day of an election as provided in section 201.061, subdivision 3; or

(3) when submitting an absentee ballot, by enclosing a completed registration application as provided in section 203B.04, subdivision 4.

(b) An individual who is under the age of 18, but who is at least 16 years of age and otherwise eligible, may submit a voter registration application as provided in section 201.061, subdivisions 1 and 1b.

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

Sec. 4. Minnesota Statutes 2022, section 201.054, subdivision 2, is amended to read:

Subd. 2. **Prohibitions; penalty.** No individual shall intentionally:

(1) cause or attempt to cause the individual's name to be registered in any precinct if the individual is not eligible to vote, except as permitted by section 201.061, subdivision 1b;

(2) cause or attempt to cause the individual's name to be registered for the purpose of voting in more than one precinct;

(3) misrepresent the individual's identity when attempting to register to vote; or

(4) aid, abet, counsel, or procure any other individual to violate this subdivision.

A violation of this subdivision is a felony.

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

Sec. 5. Minnesota Statutes 2022, section 201.061, is amended by adding a subdivision to read:

Subd. 1b. **Preregistration.** An individual who is under the age of 18, but who is at least 16 years of age and meets all requirements for eligibility in section 201.014, except for age, may submit a voter registration application or be automatically registered under section 201.161 at the address in which the voter maintains residence pursuant to subdivision 1. Nothing in this section shall be construed to entitle an individual to appear on a polling place roster or cast a ballot at an election if the individual does not meet all eligibility requirements for voting, including age.

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

Sec. 6. Minnesota Statutes 2022, section 201.071, subdivision 1, as amended by Laws 2023, chapter 12, section 2, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

(1) ~~will be at least 18 years old on election day~~ am at least 16 years old and understand that I must be at least 18 years old to be eligible to vote;

(2) am a citizen of the United States;

(3) will have resided in Minnesota for 20 days immediately preceding election day;

(4) maintain residence at the address given on the registration form;

(5) am not under court-ordered guardianship in which the court order revokes my right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) am not currently incarcerated for a conviction of a felony offense; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) ~~Will you be 18 years old on or before election day?~~ Are you at least 16 years old and will you be at least 18 years old on or before the day of the election in which you intend to vote?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

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

Sec. 7. Minnesota Statutes 2022, section 201.071, subdivision 1, as amended by Laws 2023, chapter 12, section 2, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; a box to indicate a voter's preference to join the permanent absentee voter list; and voter's signature. The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

(1) will be at least 18 years old on election day;

(2) am a citizen of the United States;

(3) will have resided in Minnesota for 20 days immediately preceding election day;

(4) maintain residence at the address given on the registration form;

(5) am not under court-ordered guardianship in which the court order revokes my right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) am not currently incarcerated for a conviction of a felony offense; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

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

Sec. 8. Minnesota Statutes 2022, section 201.091, subdivision 4, is amended to read:

Subd. 4. **Public information lists.** The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. Data on applicants submitted pursuant to section 201.061, subdivision 1b, are not part of the public information list until the voter is registered or has voting history. The list must not include the party choice of any voter who voted in a presidential nomination primary. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

Upon receipt of a statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of a registered voter.

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

Sec. 9. Minnesota Statutes 2022, section 201.161, is amended to read:

201.161 DRIVER'S LICENSE AND IDENTIFICATION CARD APPLICATIONS AUTOMATIC VOTER REGISTRATION.

Subdivision 1. **Automatic registration.** (a) Except as otherwise provided in this section, an individual must be registered to vote if the individual is eligible to vote under section 201.014 and properly completes and submits one of the following applications, if the application includes documentation or verification of United States citizenship or records reflect that the applicant provided proof of citizenship during a previous agency transaction:

(1) an application for a new or renewed Minnesota driver's license or identification card;

(2) an initial or renewal application for MinnesotaCare under chapter 256L or medical assistance under chapter 256B; or

(3) an application for benefits or services to a state agency participating under subdivision 5.

(b) If a registered voter supplies a different name or address as part of an application under this subdivision from the name and address in the voter registration record, the registrant's voter registration record must be updated to reflect the name or address information provided.

Subd. 2. **Option to decline.** Upon receipt of the registration information, the county auditor must queue for mailing in the statewide voter registration system a notice to the individual that provides an opportunity to decline the registration. The secretary of state must promptly mail all notices queued in the statewide voter registration system. An individual must not be registered if the individual declines to be registered within 20 days of the date of the mailing of the notice under this section. An otherwise eligible individual who declines to register must be offered a new registration opportunity with each qualifying application submitted under subdivision 1. The notice must be drafted to ensure maximum language access consistent with maintaining readability, and at a minimum must identify a website where the materials are made available in the ten most common languages for which translation is needed by voters.

Subd. 3. **Department of Public Safety.** (a) The ~~Department~~ commissioner of public safety ~~shall, in consultation with the secretary of state, must change its~~ the applications for an original, duplicate, or change of address driver's license or identification card so that the forms may also serve as voter registration applications. ~~The forms must contain spaces for all information collected by voter registration applications prescribed by the secretary of state. Applicants for driver's licenses or identification cards must be asked if they want to register to vote at the same time and that information must be transmitted at least weekly~~ any forms where applicants may provide documentation of United States citizenship contain spaces for all information required to register to vote, as prescribed by the secretary of state. ~~Unless the applicant has provided an address other than the applicant's address of residence under section 171.12, subdivision 7, paragraph (d), the commissioner must transmit the information daily~~ by electronic means to the secretary of state. Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the computerized driver's license record containing the voter's name, address, date of birth, citizenship, driver's license number or state identification number, county, ~~town~~, and city or town must be made available for access by the secretary of state and interaction with the statewide voter registration system. The commissioner must submit data to the secretary of state identifying the total number of individuals that completed qualifying transactions under this section and the total number of individuals whose records were ultimately transferred for registration. At a minimum, the commissioner must submit the data to the secretary of state on the same day each month. The secretary of state must publish a monthly report of this data.

(b) An applicant's information must not be transmitted to the secretary of state under this section unless the applicant provides documentation of United States citizenship or records maintained by the Department of Public Safety indicate that the applicant provided documentation demonstrating United States citizenship as part of a previous license or identification card transaction. If the applicant does not provide or has not previously provided documentation of United States citizenship, the commissioner must provide information during the transaction regarding voter registration and eligibility criteria. If the applicant provides documentation during the transaction indicating that the applicant is not a United States citizen, the applicant's information must not be transmitted to the secretary of state and the applicant must not be offered a voter registration opportunity.

(c) No applicant may be registered to vote under this subdivision until:

(1) the commissioner of public safety has certified that the department's systems have been tested and can accurately provide the required data and accurately exclude from transmission data on individuals who have not provided documentary evidence of United States citizenship; and

(2) the secretary of state has certified that the system for automatic registration of those applicants has been tested and is capable of properly determining whether an applicant is eligible to submit a voter registration application.

The department's systems must be tested and accurately provide the necessary data no later than December 1, 2023.

(d) For purposes of this section, "driver's license" includes any instruction permit, provisional license, limited license, restricted license, or operator's permit issuable by the commissioner of public safety under chapter 171.

Subd. 4. Department of Human Services. (a) If permitted by the federal government, the commissioner of human services, in consultation with the secretary of state, must ensure the applications described in subdivision 1, paragraph (a), clause (2), also serve as voter registration applications for applicants 18 years of age or older whose United States citizenship has been verified as part of the application. The commissioner must transmit information required to register to vote, as prescribed by the secretary of state, daily by electronic means to the secretary of state for an individual whose United States citizenship has been verified. The commissioner must submit data to the secretary of state identifying the total number of individuals who completed qualifying transactions under this section and the total number of individuals whose records were ultimately transferred for registration. At a minimum, the commissioner must submit the data to the secretary of state on the same day each month.

(b) No applicant may be registered to vote under this subdivision until (1) the commissioner of human services has certified that the department's systems have been tested and can accurately provide the required data and accurately exclude from transmission data on individuals who have not provided documentary evidence of United States citizenship, and (2) the secretary of state has certified that the system for automatic registration of those applicants has been tested and is capable of properly determining whether an applicant is eligible to vote. The department's systems must be tested and accurately provide the necessary data no later than September 30 of the year following the year in which federal approval or permission is given, contingent on appropriations being available for this purpose.

Subd. 5. Other agencies and units of government. (a) The commissioner of management and budget must, in consultation with the secretary of state, identify any other state agency that is eligible to implement automatic voter registration. The commissioner must consider a state agency eligible if the agency collects, processes, or stores the following information as part of providing assistance or services: name, residential address, date of birth, and citizenship verification. An eligible agency must submit a report to the governor and secretary of state no later than December 1, 2024, describing steps needed to implement automatic voter registration, barriers to implementation and ways to mitigate them, and applicable federal and state privacy protections for the data under consideration. By June 1, 2025, the governor, at the governor's sole discretion, must make final decisions, as to which agencies will

implement automatic voter registration by December 31, 2025, and which agencies could implement automatic voter registration if provided with additional resources or if the legislature changed the law to allow data to be used for automatic voter registration. The governor must notify the commissioner of management and budget of the governor's decisions related to automatic voter registration. By October 1, 2025, the commissioner of management and budget must report to the chairs and ranking minority members of the legislative committees with jurisdiction over election policy and finance. The report must include:

(1) the agencies that will implement automatic voter registration by December 31, 2025;

(2) the agencies which could implement automatic voter registration if provided with additional resources and recommendations on the necessary additional resources; and

(3) the agencies that could implement automatic voter registration if the legislature changed the law to allow data to be used for voter registration and recommendations on how the law could be changed to allow the use of the data for this purpose.

(b) An agency may not begin verifying citizenship as part of an agency transaction for the sole purpose of providing automatic voter registration. Once an agency has implemented automatic voter registration, it must continue to provide automatic voter registration unless otherwise expressly required by law. For each individual whose United States citizenship has been verified, the commissioner or agency head must transmit information required to register to vote, as prescribed by the secretary of state, to the secretary of state by electronic means. The governor must determine the frequency of the transmissions for each agency.

(c) No applicant may be registered to vote under this subdivision until (1) the agency's commissioner or agency head has certified that the necessary systems have been tested and can accurately provide the required data and accurately exclude from transmission data on individuals whose United States citizenship has not been verified, and (2) the secretary of state has certified that the system for automatic registration of those applicants has been tested and is capable of properly determining whether an applicant is eligible to vote.

Subd. 6. **Registration.** (a) The secretary of state must compare all application information submitted under this section with the information received under section 201.145 to determine whether an applicant is eligible to vote. If an applicant appears on the list of individuals who are ineligible to vote, the secretary of state must not process the application further and must not share the applicant's information with the county for registration. For applicants who do not appear to be ineligible to vote, the secretary of state must determine whether the applicant whose information is submitted under this section is currently registered in the statewide voter registration system.

(b) If the applicant is not currently registered in the statewide voter registration system, the secretary of state must transmit the registration daily by electronic means to the county auditor of the county where the voter resides.

(c) Any data regarding applicants who the secretary determines are not eligible to vote are private data on individuals, as defined in section 13.02, subdivision 12.

(d) The county auditor must cancel the voter's record in the statewide voter registration system upon receipt of a written request, signed by the voter, that the registration be removed.

Subd. 7. **Prosecution of registration violations; voluntary action required.** The transfer of an individual's record under this section does not constitute an attempt to register to vote or a completion of a voter registration form by that individual. If such a registration is processed by the state and the individual thereafter attempts to vote or votes, it is presumed to have been officially authorized by the state and the individual is not subject to any penalty under this chapter. This subdivision does not apply to an individual who knowingly and willfully makes a false statement to effectuate voter registration or who intentionally takes voluntary action to register to vote or vote knowing of the individual's ineligibility to vote.

Subd. 8. **Effective date of registration.** Unless the applicant declines registration, the effective date is the date that the county auditor processes the application. This subdivision does not limit the ability of a person to register to vote on election day as provided in section 201.061, subdivision 3. Any person who submits a qualifying application under subdivision 1 that is dated during the 20 days before an election must be provided, at the time of application, with a notice advising the applicant of the procedures to register to vote on election day.

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

Sec. 10. Minnesota Statutes 2022, section 201.162, is amended to read:

201.162 DUTIES OF STATE AGENCIES.

The commissioner or chief administrative officer of each state agency or community-based public agency or nonprofit corporation that contracts with the state agency to carry out obligations of the state agency shall provide voter registration services for employees and the public, including, as applicable, automatic voter registration or information on voter eligibility and registration procedures as required under section 201.161. A person may complete a voter registration application or apply to change a voter registration name or address if the person has the proper qualifications on the date of application. Nonpartisan voter registration assistance, including routinely asking members of the public served by the agency whether they would like to register to vote and, if necessary, assisting them in preparing the registration forms must be part of the job of appropriate agency employees.

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

Sec. 11. Minnesota Statutes 2022, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **Application procedures.** (a) Except as otherwise allowed by subdivision 2 or by section 203B.11, subdivision 4, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided by the secretary of state and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing. An application may be submitted in person, by electronic facsimile device, by electronic mail, or by mail to:

(1) the county auditor of the county where the applicant maintains residence; or

(2) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

For a federal, state, or county election, an absentee ballot application may alternatively be submitted electronically through a secure website that shall be maintained by the secretary of state for this purpose. Notwithstanding paragraph (b), the secretary of state must require applicants using the website to submit the applicant's email address and verifiable Minnesota driver's license number, Minnesota state identification card number, or the last four digits of the applicant's Social Security number.

An application submitted electronically under this paragraph may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must review all unverifiable applications for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.

(b) An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, date of birth, and at least one of the following:

- (1) the applicant's Minnesota driver's license number;
- (2) Minnesota state identification card number;
- (3) the last four digits of the applicant's Social Security number; or
- (4) a statement that the applicant does not have any of these numbers.

(c) To be approved, the application must contain an oath that the information contained on the form is accurate, that the applicant is applying on the applicant's own behalf, and that the applicant is signing the form under penalty of perjury.

(d) An applicant's full date of birth, Minnesota driver's license or state identification number, and the last four digits of the applicant's Social Security number must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. ~~The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day, except as authorized in section 203B.12, and must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.~~

(e) An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot ~~application~~.

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

Sec. 12. Minnesota Statutes 2022, section 203B.04, subdivision 5, is amended to read:

Subd. 5. **Permanent absentee voter status.** (a) An eligible voter may apply to a county auditor or municipal clerk to automatically receive an absentee ballot ~~application~~ before each election, other than an election by mail conducted under section 204B.45, and to have the status as a permanent absentee voter indicated on the voter's registration record. An eligible voter listed as an ongoing absentee voter as of July 31, 2013, pursuant to laws in effect on that date, shall be treated as if the voter applied for status as a permanent absentee voter pursuant to this subdivision.

(b) A voter who applies under paragraph (a) must automatically be provided an absentee ballot ~~application~~ for each eligible election. A voter's permanent absentee status ends and automatic ballot ~~application~~ delivery must be terminated on:

- (1) the voter's written request;
 - (2) the voter's death;
 - (3) return of an absentee ballot as undeliverable; or
 - (4) a change in the voter's status to "challenged" or "inactive" in the statewide voter registration system.
- (c) The secretary of state shall adopt rules governing procedures under this subdivision.

(d) This subdivision does not apply to a voter residing in a jurisdiction that conducts elections entirely by mail under section 204B.45.

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

Sec. 13. Minnesota Statutes 2022, section 203B.06, subdivision 1, is amended to read:

Subdivision 1. **Printing and delivery of forms.** Each county auditor and municipal clerk shall prepare and print a sufficient number of blank application forms for absentee ballots. The county auditor or municipal clerk shall deliver a blank application form to any voter who requests one pursuant to section 203B.04. ~~Blank application forms must be mailed to eligible voters who have requested an application pursuant to section 203B.04, subdivision 5, at least 60 days before:~~

~~(1) each regularly scheduled primary for federal, state, county, city, or school board office;~~

~~(2) each regularly scheduled general election for city or school board office for which a primary is not held; and~~

~~(3) a special primary to fill a federal or county office vacancy or special election to fill a federal or county office vacancy, if a primary is not required to be held pursuant to section 204D.03, subdivision 3, or 204D.07, subdivision 3; and~~

~~(4) any election held in conjunction with an election described in clauses (1) to (3);~~

~~or at least 45 days before any other primary or other election for which a primary is not held.~~

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

Sec. 14. Minnesota Statutes 2022, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) The county auditor, municipal clerk, school district clerk, or full-time clerk of any city or town administering an election pursuant to section 203B.05, shall mail absentee ballots to voters on the permanent absentee ballot list pursuant to section 203B.04, subdivision 5, on the following timelines:

(1) except as otherwise provided by this section, at least 46 days before each regularly scheduled primary and general election and each special primary and special election;

(2) as soon as practicable for a special election held pursuant to section 204D.19, subdivisions 2 and 3; and

(3) at least 30 days before a town general election held in March.

(b) The commissioner of corrections must provide the secretary of state with a list of the names and mailing addresses of state adult correctional facilities. An application for an absentee ballot that provides an address included on the list provided by the commissioner of corrections must not be accepted and an absentee ballot must not be provided to the applicant. The county auditor or municipal clerk must promptly transmit a copy of the application to the county attorney. The Department of Corrections must implement procedures to ensure that absentee ballots issued under this chapter are not received or mailed by offenders incarcerated at state adult correctional facilities.

~~(b)~~ (c) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4, to a voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient in a health care facility, a resident of a facility providing an assisted living services governed by facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4.

(d) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.121, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

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

Sec. 15. Minnesota Statutes 2022, section 203B.12, is amended by adding a subdivision to read:

Subd. 10. Names of persons; permanent absentee voters. The secretary of state must maintain a list of permanent absentee voters. The list must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

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

Sec. 16. Minnesota Statutes 2022, section 203B.12, is amended by adding a subdivision to read:

Subd. 11. Names of persons; absentee ballot applications. The names of voters who have submitted an absentee ballot application to the county auditor or municipal clerk must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

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

Sec. 17. Minnesota Statutes 2022, section 203B.121, subdivision 2, is amended to read:

Subd. 2. Duties of ballot board; absentee ballots. (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application or voter record;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the ~~seventh~~ 19th day before the election, by absentee ballot.

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the secrecy envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter ~~by telephone or email~~ to notify the voter that the voter's ballot has been rejected. The ballot board must contact the voter by the method or methods of communication provided by the voter on the voter's application for an absentee ballot or voter registration. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

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

Sec. 18. Laws 2023, chapter 12, section 9, is amended to read:

Sec. 9. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective ~~July~~ June 1, 2023, and applies to the right to vote at elections conducted on or after that date.

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

Sec. 19. **TRANSITION TO NEW VOTER REGISTRATION APPLICATIONS.**

Notwithstanding the requirements of this act or Laws 2023, chapter 12, a completed voter registration application submitted by a voter is not deficient for purposes of registering that voter if the application form was printed or provided to the voter prior to the effective date of any modification required by this act or by Laws 2023, chapter 12. Beginning on the effective date of a modification required by this act or by Laws 2023, chapter 12, an election official must not print, copy, or publicly distribute a blank voter registration application that does not include the required modification.

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

ARTICLE 4
PROTECT VOTERS AND OUR ELECTIONS SYSTEM

Section 1. **[204B.295] VOTING INSTRUCTIONS AND SAMPLE BALLOTS IN LANGUAGES OTHER THAN ENGLISH; MULTILINGUAL ELECTION JUDGES.**

Subdivision 1. **Duty.** The secretary of state or county auditor must contract with a translator certified by the American Translators Association to develop voting instructions and sample ballots in languages other than English, to be made available in polling places during elections as required by this section. At a minimum, voting instructions and sample ballots must be prepared and made available in polling places in the three most commonly spoken non-English languages in the state as determined by the state demographer for the previous calendar year. The secretary of state must provide sample ballots in print and electronic formats and voting instructions in print, electronic, and audio-visual formats on the secretary of state's website in at least the three most commonly spoken non-English languages in the state as determined by the state demographer for the previous calendar year.

Subd. 2. **Designation of language minority districts.** No later than 90 days before an election, the secretary of state or county auditor, in consultation with the state demographer, must determine the percentage of residents in each census tract who are members of a language minority and who lack sufficient skills in English to vote without assistance. Language minority districts will be designated if three percent or more of the population in a corresponding census tract speak English "less than very well" according to the most recent census data.

Subd. 3. **Translation required; interpreter required.** (a) If the number of residents determined under subdivision 2 equals three percent or more of a census tract, or if interested citizens or organizations provide information that gives the secretary of state or county auditor sufficient reason to believe a need exists, at least two copies of the translated voting instructions and sample ballot must be provided to each precinct in that district during any regular or special state or local election conducted in that district.

(b) If the number of residents determined under subdivision 2 equals 20 percent or more of the population of a census tract, or if interested citizens or organizations provide information that gives the secretary of state or county auditor sufficient reason to believe a need exists, at least four copies of the translated voting instructions and sample ballot must be provided to each precinct in that district during any regular or special state or local election conducted

in that district. In these precincts, the county auditor or municipal clerk must appoint at least one interpreter to translate in a specified language if ten or more registered voters in the precinct file a request for interpretive services for that language with the secretary of state or county auditor at least 30 days prior to the date of the election. This interpreter must wear a name tag or other badge indicating the interpreter's language certification. For purposes of section 204C.06 and any other applicable law, an interpreter appointed under this section is considered an election official and may be present in a polling place for the purpose of conducting duties assigned by the county auditor or municipal clerk.

Subd. 4. **Use of materials; notice required.** The translated voting instructions and sample ballots required by this section must be made available for use by voters as a reference when completing and casting an official ballot. In addition to the number of copies required, at least one sample ballot and set of instructions in each applicable language, along with a notice written in that language indicating the availability of those materials, must be posted in a conspicuous location in each polling place.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to elections conducted on or after January 1, 2024.

Sec. 2. **[211B.075] INTIMIDATION AND INTERFERENCE WITH THE VOTING PROCESS; PENALTIES.**

Subdivision 1. **Intimidation.** (a) A person may not directly or indirectly use or threaten force, coercion, violence, restraint, damage, harm, or loss, including loss of employment or economic reprisal against:

(1) any person with the intent to compel that person to register or abstain from registering to vote, vote or abstain from voting, or vote for or against a candidate or ballot question; or

(2) any person with the intent to impede that person's efforts to encourage another to cast a ballot or assist another in registering to vote, traveling to a polling place, casting a ballot, or participating in any other aspect of the election process.

(b) Notwithstanding paragraph (a), in a civil action brought to prevent and restrain violations of this subdivision or to require the payment of civil penalties, the plaintiff must demonstrate that the action or attempted action would cause a reasonable person to feel intimidated. The plaintiff does not need to show that the defendant intended to cause the victim to feel intimidated.

Subd. 2. **Deceptive practices.** (a) No person may, within 60 days of an election, cause information to be transmitted by any means that the person:

(1) intends to impede or prevent another person from exercising the right to vote; and

(2) knows to be materially false.

(b) The prohibition in this subdivision includes but is not limited to information regarding the time, place, or manner of holding an election; the qualifications for or restrictions on voter eligibility at an election; and threats to physical safety associated with casting a ballot.

Subd. 3. **Interference with registration or voting.** No person may intentionally hinder, interfere with, or prevent another person from voting, registering to vote, or aiding another person in casting a ballot or registering to vote.

Subd. 4. **Vicarious liability; conspiracy.** A person may be held vicariously liable for any damages resulting from the violation of this section and may be identified in an order restraining violations of this section if that person:

(1) intentionally aids, advises, hires, counsels, abets, incites, compels, or coerces a person to violate any provision of this section or attempts to aid, advise, hire, counsel, abet, incite, compel, or coerce a person to violate any provision of this section; or

(2) conspires, combines, agrees, or arranges with another to either commit a violation of this section or aid, advise, hire, counsel, abet, incite, compel, or coerce a third person to violate any provision of this section.

Subd. 5. Criminal penalties; civil remedies. (a) A person who violates this section is guilty of a gross misdemeanor.

(b) The attorney general or any person injured by an act prohibited by this section may bring a civil action to prevent or restrain a violation of this section.

(c) The attorney general, or any person injured by an act prohibited by this section, may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by any person under section 8.31, subdivision 3a, is in the public interest. In addition to all other damages, the court may impose a civil penalty of up to \$1,000 for each violation.

(d) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. An action for a penalty or remedy under this section must be brought within two years of the date the violation is alleged to have occurred. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective June 15, 2023, and applies to violations occurring on or after that date.

Sec. 3. Minnesota Statutes 2022, section 211B.32, subdivision 1, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.022, subdivision 3, must be filed with the Campaign Finance and Public Disclosure Board.

(c) Violations of section 211B.075 may be enforced as provided in that section.

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

ARTICLE 5
MODERNIZE CAMPAIGN FINANCE SYSTEM TO EMPOWER VOTERS
AND INCREASE DISCLOSURE OF SECRET SPENDING

Section 1. Minnesota Statutes 2022, section 10A.01, subdivision 16a, is amended to read:

Subd. 16a. **Expressly advocating.** "Expressly advocating" means that a communication:

(1) clearly identifies a candidate or a local candidate and uses words or phrases of express advocacy; or

(2) when taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidates because:

(i) the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(ii) reasonable minds could not differ as to whether the communication encourages actions to elect or defeat one or more clearly identified candidates or encourages some other kind of action.

Sec. 2. Minnesota Statutes 2022, section 10A.27, subdivision 11, is amended to read:

Subd. 11. **Contributions from certain types of contributors.** (a) A candidate must not permit the candidate's principal campaign committee to accept a contribution from a political committee, political fund, lobbyist, or association not registered with the board if the contribution will cause the aggregate contributions from those types of contributors during an election cycle segment to exceed an amount equal to 20 percent of the election cycle segment expenditure limits for the office sought by the candidate, provided that the 20 percent limit must be rounded to the nearest \$100.

(b) A candidate must not permit the candidate's principal campaign committee to accept a contribution that is prohibited by section 211B.15.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to contributions, expenditures, and other applicable activities occurring on or after that date.

Sec. 3. **[10A.274] CONTRIBUTIONS BY FOREIGN NATIONALS PROHIBITED.**

Subdivision 1. **Definition.** As used in this section, "foreign national" includes:

(1) the government of a country other than the United States;

(2) a political party organized in a country other than the United States; and

(3) an individual who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence in the United States.

Subd. 2. **Prohibition.** (a) A principal campaign committee, political committee, political fund, party unit, or association not registered with the board must not solicit or receive a contribution from a foreign national at any time. A foreign national must not make, or attempt to make, a contribution that a principal campaign committee, political committee, political fund, party unit, or association not registered with the board is prohibited from accepting under this section.

(b) A foreign national must not make an expenditure, independent expenditure, or disbursement for an electioneering communication at any time. A foreign national must not make a contribution to any other person with the express or implied condition that the contribution or any part of it be used for any of the purposes prohibited by this section.

Sec. 4. Minnesota Statutes 2022, section 211B.15, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given. Unless otherwise provided, the definitions in section 10A.01 also apply to this section.

(b) "Chief executive officer" means the highest-ranking officer or decision-making individual with authority over a corporation's affairs.

(c) "Corporation" means:

- (1) a corporation organized for profit that does business in this state;
- (2) a nonprofit corporation that carries out activities in this state; or
- (3) a limited liability company formed under chapter 322C, or under similar laws of another state, that does business in this state.

(d) "Foreign-influenced corporation" means a corporation as defined in paragraph (c), clause (1) or (3), for which at least one of the following conditions is met:

(1) a single foreign investor holds, owns, controls, or otherwise has direct or indirect beneficial ownership of one percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the corporation;

(2) two or more foreign investors in aggregate hold, own, control, or otherwise have direct or indirect beneficial ownership of five percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the corporation; or

(3) a foreign investor participates directly or indirectly in the corporation's decision-making process with respect to the corporation's political activities in the United States.

The calculation of a person's or entity's ownership interest for purposes of clauses (1) and (2) must exclude any portion of the person's or entity's direct or indirect beneficial ownership of equity, outstanding voting shares, membership units, or otherwise applicable ownership interests of a corporation that are held or owned in a mutual fund based in the United States.

(e) "Foreign investor" means a person or entity that:

(1) holds, owns, controls, or otherwise has direct or indirect beneficial ownership of equity, outstanding voting shares, membership units, or otherwise applicable ownership interests of a corporation; and

(2) is a foreign national or a corporation in which a foreign national holds, owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of equity or voting shares in an amount that is equal to or greater than 50 percent of the total equity or outstanding voting shares.

(f) "Foreign national" means:

(1) the government of a country other than the United States;

(2) a political party organized in a country other than the United States; and

(3) an individual who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence in the United States.

Notwithstanding clause (3), an individual who is a resident of Minnesota is not a foreign national for purposes of this section.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to contributions, expenditures, and other applicable activities occurring on or after that date.

Sec. 5. Minnesota Statutes 2022, section 211B.15, is amended by adding a subdivision to read:

Subd. 4a. Foreign-influenced corporations. (a) Notwithstanding subdivisions 3 and 4, a foreign-influenced corporation must not:

(1) make an expenditure, or offer or agree to make an expenditure, to promote or defeat the candidacy of an individual for nomination, election, or appointment to a public office;

(2) make contributions or expenditures to promote or defeat a ballot question, or to qualify a question for placement on the ballot;

(3) make a contribution to a candidate for nomination, election, or appointment to a public office or to a candidate's principal campaign committee; or

(4) make a contribution to a political committee, political fund, or political party unit.

(b) A foreign national or foreign-influenced corporation must not make a contribution or donation to any other person with the express or implied condition that the contribution or donation or any part of it be used for any of the purposes prohibited by this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to contributions, expenditures, and other applicable activities occurring on or after that date.

Sec. 6. Minnesota Statutes 2022, section 211B.15, is amended by adding a subdivision to read:

Subd. 4b. Certification of compliance with subdivision 4a. A corporation as defined in subdivision 1, paragraph (c), clause (1) or (3), that makes a contribution or expenditure authorized by subdivision 3 or 4 must submit a certification to the Campaign Finance and Public Disclosure Board that it was not a foreign-influenced corporation as of the date the contribution or expenditure was made. The certification must be submitted within seven business days after the contribution or expenditure is made and must be signed by the corporation's chief executive officer after reasonable inquiry, under penalty of perjury. If the activity requiring certification was a contribution to an independent expenditure committee, the corporation must additionally provide a copy of the certification to that committee. For purposes of this certification, the corporation shall ascertain beneficial ownership in a manner consistent with chapter 302A or, if it is registered on a national securities exchange, as set forth in Code of Federal Regulations, title 17, sections 240.13d-3 and 240.13d-5. The corporation shall provide a copy of the statement of certification to any candidate or committee to which it contributes, and upon request of the recipient, to any other person to which it contributes.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to contributions, expenditures, and other applicable activities occurring on or after that date.

Sec. 7. Minnesota Statutes 2022, section 211B.15, subdivision 7b, is amended to read:

Subd. 7b. Knowing violations. An individual or a corporation knowingly violates this section if, at the time of a transaction, the individual or the corporation knew:

(1) that the transaction causing the violation constituted a contribution under chapter 10A, 211A, or 383B; and

(2) that the contributor was a corporation subject to the prohibitions of subdivision 2 or 4a.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to contributions, expenditures, and other applicable activities occurring on or after that date.

ARTICLE 6
CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2022, section 10A.01, subdivision 5, is amended to read:

Subd. 5. **Associated business.** "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual or the individual's spouse receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer or employee, or whose securities the individual or the individual's spouse holds worth more than \$10,000 at fair market value.

Sec. 2. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 12a. **Designated lobbyist.** "Designated lobbyist" means the lobbyist responsible for reporting the lobbying disbursements and activity of the entity the lobbyist represents.

Sec. 3. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 17d. **General lobbying category.** "General lobbying category" means an area of interest for lobbying for an entity that is on a list of categories specified by the board.

Sec. 4. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 19a. **Legislative action.** "Legislative action" means any of the following:

(1) the development of prospective legislation, including the development of amendment language to prospective legislation;

(2) the review, modification, adoption, or rejection by a member of the legislature or an employee of the legislature, if applicable, of any (i) bill, (ii) amendment, (iii) resolution, (iv) confirmation considered by the legislature, or (v) report;

(3) the development of, in conjunction with a constitutional officer, prospective legislation or a request for support or opposition to introduced legislation; and

(4) the action of the governor in approving or vetoing any act of the legislature or portion of an act of the legislature.

Sec. 5. Minnesota Statutes 2022, section 10A.01, subdivision 21, is amended to read:

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year:

(i) for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials; or

(ii) from a business whose primary source of revenue is derived from facilitating government relations or government affairs services ~~between two third parties~~ if the individual's job duties include offering direct or indirect consulting or advice that helps the business provide those services to clients; or

(2) who spends more than ~~\$250~~ \$3,000 of the individual's personal funds, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

(1) a public official;

(2) an employee of the state, including an employee of any of the public higher education systems;

(3) an elected local official;

(4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of ~~metropolitan governmental units~~ political subdivisions;

(5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;

(8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony; or

(9) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

(c) An individual who volunteers personal time to work without pay or other consideration on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause (2), need not register as a lobbyist.

(d) An individual who provides administrative support to a lobbyist and whose salary and administrative expenses attributable to lobbying activities are reported as lobbying expenses by the lobbyist, but who does not communicate or urge others to communicate with public or local officials, need not register as a lobbyist.

Sec. 6. Minnesota Statutes 2022, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

(1) payment for accounting and legal services;

(2) return of a contribution to the source;

- (3) repayment of a loan made to the principal campaign committee by that committee;
- (4) return of a public subsidy;
- (5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fundraising event;
- (6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch as provided in section 10A.173, subdivision 1;
- (7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;
- (8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;
- (9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;
- (10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;
- (11) costs of child care for the candidate's children when campaigning;
- (12) fees paid to attend a campaign school;
- (13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;
- (14) interest on loans paid by a principal campaign committee on outstanding loans;
- (15) filing fees;
- (16) post-general election holiday or seasonal cards, thank-you notes, or advertisements in the news media mailed or published prior to the end of the election cycle;
- (17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;
- (18) contributions to a party unit;
- (19) payments for funeral gifts or memorials;
- (20) the cost of a magnet less than six inches in diameter containing legislator contact information and distributed to constituents;
- (21) costs associated with a candidate attending a political party state or national convention in this state;
- (22) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question;

(23) costs paid to a third party for processing contributions made by a credit card, debit card, or electronic check;

(24) a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

(25) costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

(26) a donation from a terminating principal campaign committee to the state general fund;

(27) a donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation from state office; ~~and~~

(28) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to \$3,000 for security expenses for a candidate, including home security hardware, maintenance of home security hardware, identity theft monitoring services, and credit monitoring services;

(29) costs to support a candidate's principal campaign committee's participation in a recount of ballots affecting that candidate's election;

(30) costs of running a transition office for a winning state constitutional office candidate during the first three months after election; and

(31) costs paid to repair or replace campaign property that is documented to have been lost, damaged, or stolen, including but not limited to campaign lawn signs.

(b) The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

(c) A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Sec. 7. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 26b. **Official action of a political subdivision.** "Official action of a political subdivision" means any action that requires a vote or approval by one or more elected local officials while acting in their official capacity; or an action by an appointed or employed local official to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

Sec. 8. Minnesota Statutes 2022, section 10A.01, subdivision 30, is amended to read:

Subd. 30. **Political party unit or party unit.** "Political party unit" or "party unit" means the state committee or, the party organization within a house of the legislature, ~~congressional district, county, legislative district, municipality, or precinct~~ or any other party organization designated by the chair of the political party in an annual certification of party units provided to the board.

Sec. 9. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 35c. **Specific subject of interest.** "Specific subject of interest" means a particular topic or area of lobbying interest within a general lobbying category.

Sec. 10. Minnesota Statutes 2022, section 10A.022, subdivision 3, is amended to read:

Subd. 3. **Investigation authority; complaint process.** (a) The board may investigate any alleged or potential violation of this chapter. The board may also investigate an alleged or potential violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter. The board may only investigate an alleged violation if the board:

- (1) receives a written complaint alleging a violation;
- (2) discovers a potential violation as a result of an audit conducted by the board; or
- (3) discovers a potential violation as a result of a staff review.

(b) When the board investigates the allegations made in a written complaint and the investigation reveals other potential violations that were not included in the complaint, the board may investigate the potential violations not alleged in the complaint only after making a determination under paragraph (d) that probable cause exists to believe a violation that warrants a formal investigation has occurred.

(c) Upon receipt of a written complaint filed with the board, the board chair or another board member designated by the chair shall promptly make a determination as to whether the complaint alleges a prima facie violation. If a determination is made that the complaint does not allege a prima facie violation, the complaint shall be dismissed without prejudice and the complainant and the subject of the complaint must be promptly notified of the reasons the complaint did not allege a prima facie violation. The notice to the subject of the complaint must include a copy of the complaint. If the complainant files a revised complaint regarding the same facts and the same subject, the prima facie determination must be completed by a board member other than the member who made the initial determination and who does not support the same political party as the member who made the initial determination. The chair may order that the prima facie determination for any complaint be made by the full board and must order that the prima facie determination for a complaint being submitted for the third time be made by the full board.

(d) If a determination is made that the complaint alleges a prima facie violation, the board shall, within ~~45~~ 60 days of the prima facie determination, make findings and conclusions as to whether probable cause exists to believe the alleged violation that warrants a formal investigation has occurred. Any party filing a complaint and any party against whom a complaint is filed must be given an opportunity to be heard by the board prior to the board's determination as to whether probable cause exists to believe a violation that warrants a formal investigation has occurred.

(e) Upon a determination by the board that probable cause exists to believe a violation that warrants a formal investigation has occurred, the board must undertake an investigation under subdivision 2 and must issue an order at the conclusion of the investigation, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make public findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the probable cause determination has been made. Prior to making findings and conclusions in an investigation, the board must offer the subject of the complaint an opportunity to answer the allegations of the complaint in writing and to appear before the board to address the matter. The deadline for action on a written complaint, including but not limited to issuance of a probable cause determination in accordance with paragraph (d), entering into a conciliation agreement, or issuance of public findings may be extended by majority vote of the board.

Sec. 11. Minnesota Statutes 2022, section 10A.025, subdivision 4, is amended to read:

Subd. 4. **Changes and corrections.** Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or

correction must identify the form and the paragraph containing the information to be changed or corrected. A request from the board to a lobbyist to provide more detailed information about a specific subject of interest disclosed on a lobbyist disbursement report is a change or correction governed by this subdivision.

A person who willfully fails to report a material change or correction is subject to a civil penalty imposed by the board of up to \$3,000. A willful violation of this subdivision is a gross misdemeanor.

The board must send a written notice to any individual who fails to file a report required by this subdivision. If the individual fails to file the required report within ten business days after the notice was sent, the board may impose a late filing fee of \$25 per day up to \$1,000 starting on the 11th day after the notice was sent. The board may send an additional notice by certified mail to an individual who fails to file a report within ten business days after the first notice was sent by the board. The certified notice must state that if the individual does not file the requested report within ten business days after the certified notice was sent, the individual may be subject to a civil penalty for failure to file a report. An individual who fails to file a report required by this subdivision within ten business days after the certified notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 12. Minnesota Statutes 2022, section 10A.03, subdivision 2, is amended to read:

Subd. 2. **Form.** The board must prescribe a registration form, which must include:

- (1) the name, address, and email address of the lobbyist;
- (2) the principal place of business of the lobbyist;
- (3) the name and address of each individual, association, political subdivision, or public higher education system, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears;
- (4) the website address of each association, political subdivision, or public higher education system identified under clause (3), if the entity maintains a website; ~~and~~
- (5) ~~a the general description of the subject or subjects~~ lobbying categories on which the lobbyist expects to lobby; on behalf of a represented entity; and
- (6) if the lobbyist lobbies on behalf of an association, ~~the registration form must include~~ the name and address of the officers and directors of the association.

Sec. 13. Minnesota Statutes 2022, section 10A.03, is amended by adding a subdivision to read:

Subd. 6. General lobbying categories and specific subjects of interest. A list of general lobbying categories and specific subjects of interest must be specified by the board and updated periodically based on public comment and information provided by lobbyists. The board must publish on its website the current list of general lobbying categories and specific subjects of interest. Chapter 14 and section 14.386 do not apply to the specification, publication, or periodic updates of the list of general lobbying categories and specific subjects of interest.

Sec. 14. Minnesota Statutes 2022, section 10A.04, subdivision 3, is amended to read:

Subd. 3. **Information to lobbyist.** An ~~employer or employee about~~ entity or lobbyist whose activities ~~are reported to the board by another~~ lobbyist is required to ~~report~~ must provide the information required by subdivision 4 to the lobbyist no later than five days before the prescribed filing date.

Sec. 15. Minnesota Statutes 2022, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

(b) A lobbyist must report the specific subjects of interest for an entity represented by the lobbyist on each report submitted under this section. A lobbyist must describe a specific subject of interest in the report with enough information to show the particular issue of importance to the entity represented.

~~(b) (c) A lobbyist must report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses. every state agency that had administrative action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each administrative action and the revisor rule draft number assigned to the administrative rulemaking.~~

(d) A lobbyist must report every political subdivision that considered official action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each action.

(e) A lobbyist must report general lobbying categories and up to four specific subjects of interest related to each general lobbying category on which the lobbyist attempted to influence legislative action during the reporting period. If the lobbyist attempted to influence legislative action on more than four specific subjects of interest for a general lobbying category, the lobbyist, in consultation with the represented entity, must determine which four specific subjects of interest were the entity's highest priorities during the reporting period and report only those four subjects.

(f) A lobbyist must report the Public Utilities Commission project name for each rate setting, power plant and powerline siting, or granting of certification of need before the Public Utilities Commission that the represented entity sought to influence during the reporting period.

~~(e) (g) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.~~

~~(d) (h) A lobbyist must report each original source of money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a metropolitan governmental unit political subdivision. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of \$500.~~

~~(e) (i) On the each report due June 15, the a lobbyist must provide a disclose the general description of the subjects lobbying categories that were lobbied on in the previous 12 months reporting period.~~

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

Sec. 16. Minnesota Statutes 2022, section 10A.04, subdivision 6, is amended to read:

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) ~~Except as provided in paragraph (d),~~ The principal must report the total amount, rounded to the nearest \$20,000 \$10,000, spent by the principal during the preceding calendar year ~~to influence legislative action, administrative action, and the official action of metropolitan governmental units.~~ on each type of lobbying listed below:

(1) lobbying to influence legislative action;

(2) lobbying to influence administrative action, other than lobbying described in clause (3);

(3) lobbying to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243; and

(4) lobbying to influence official action of a political subdivision.

(c) ~~Except as provided in paragraph (d),~~ For each type of lobbying listed in paragraph (b), the principal must report ~~under this subdivision~~ a total amount that includes:

(1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state for that type of lobbying;

(2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information, social media and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units, and legal counsel used to support that type of lobbying in this state; and

(3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units for that type of lobbying in this state.

~~(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).~~

(d) The principal must report disbursements made and obligations incurred that exceed \$2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. The report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subjects of interest addressed by the advertisement.

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

Sec. 17. Minnesota Statutes 2022, section 10A.04, subdivision 9, is amended to read:

Subd. 9. **Reporting by multiple lobbyists representing the same entity.** Clauses (1) to (6) apply when a single individual, association, political subdivision, or public higher education system is represented by more than one lobbyist.

(1) The entity must appoint one designated lobbyist to report lobbyist disbursements made by the entity. An entity represented by more than one lobbyist may only have one designated lobbyist at any given time. The designated lobbyist must indicate that status on the periodic reports of lobbyist disbursements.

(2) A reporting lobbyist may consent to report on behalf of one or more other lobbyists for the same entity, in which case, the other lobbyists are persons whose activities the reporting lobbyist must disclose and are subject to the disclosure requirements of subdivision 3. Lobbyist disbursement reports filed by a reporting lobbyist must include the names and registration numbers of the other lobbyists whose activities are included in the report.

(3) Lobbyists whose activities are accounted for by a reporting lobbyist are not required to file lobbyist disbursement reports.

(4) A lobbyist whose lobbying disbursements are provided to the board through a reporting lobbyist must supply all relevant information on disbursements to the reporting lobbyist no later than five days before the prescribed filing date.

(5) The reporting periods and due dates for a reporting lobbyist are those provided in subdivision 2. The late filing provisions in subdivision 5 apply to reports required by this subdivision.

(6) The reporting lobbyist must indicate the names and registration numbers of any lobbyists who did not provide their lobbying disbursements for inclusion in a report. The late filing provisions in subdivision 5 apply to lobbyists who fail to report information to the reporting lobbyist.

Sec. 18. Minnesota Statutes 2022, section 10A.05, is amended to read:

10A.05 LOBBYIST REPORT.

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board must publish the names of the lobbyists registered who were not previously reported, the names of the individuals, associations, political subdivisions, or public higher education systems whom they represent as lobbyists, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative action, administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision.

Sec. 19. Minnesota Statutes 2022, section 10A.06, is amended to read:

10A.06 CONTINGENT FEES PROHIBITED.

No person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislative or administrative action, or of the official action of a ~~metropolitan governmental unit~~ political subdivision. A person who violates this section is guilty of a gross misdemeanor.

Sec. 20. Minnesota Statutes 2022, section 10A.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, or a local official ~~of a metropolitan governmental unit~~.

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

Sec. 21. Minnesota Statutes 2022, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5b, the individual filing must provide the following information:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual or the individual's spouse receives more than \$250 in any month during the reporting period as an employee, if the individual or the individual's spouse has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual or the individual's spouse received compensation of more than \$2,500 in the past 12 months as an independent contractor; ~~and~~

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual or the individual's spouse, at any time during the reporting period; and

(9) a listing of any contract, professional license, lease, or franchise that:

(i) is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

(c) For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

(d) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

(e) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

(f) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

(g) The listings required in paragraph (a), clauses (3) to (9), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

Sec. 22. Minnesota Statutes 2022, section 10A.09, is amended by adding a subdivision to read:

Subd. 5b. Form; exceptions for certain officials. (a) This subdivision applies to the following individuals:

(1) a supervisor of a soil and water conservation district;

(2) a manager of a watershed district; and

(3) a member of a watershed management organization as defined under section 103B.205, subdivision 13.

(b) Notwithstanding subdivision 5, paragraph (a), an individual listed in paragraph (a), must provide only the information listed below on a statement of economic interest:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of any association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer, or employee;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or

(ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or

(ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located; and

(5) a listing of any contract, professional license, lease, or franchise that meets the following criteria:

(i) it is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) it is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(c) The listings required in paragraph (b), clauses (3) to (5), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

(d) If an individual listed in paragraph (a) also holds a public official position that is not listed in paragraph (a), the individual must file a statement of economic interest that includes the information specified in subdivision 5, paragraph (a).

Sec. 23. Minnesota Statutes 2022, section 10A.121, subdivision 1, is amended to read:

Subdivision 1. **Permitted disbursements.** An independent expenditure political committee or fund, or a ballot question political committee or fund, may:

(1) pay costs associated with its fundraising and general operations;

(2) pay for communications that do not constitute contributions or approved expenditures;

(3) make contributions to independent expenditure or ballot question political committees or funds;

(4) make independent expenditures;

(5) make expenditures to promote or defeat ballot questions;

(6) return a contribution to its source;

(7) for a political fund, record bookkeeping entries transferring the association's general treasury money allocated for political purposes back to the general treasury of the association; ~~and~~

(8) for a political fund, return general treasury money transferred to a separate depository to the general depository of the association-; and

(9) make disbursements for electioneering communications.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 24. Minnesota Statutes 2022, section 10A.121, subdivision 2, is amended to read:

Subd. 2. **Penalty.** (a) An independent expenditure political committee ~~or~~ independent expenditure political fund, ballot question political committee, or ballot question political fund is subject to a civil penalty of up to four times the amount of the contribution or approved expenditure if it does the following:

(1) makes a contribution to a candidate, local candidate, party unit, political committee, or political fund other than an independent expenditure political committee ~~or~~ an independent expenditure political fund, ballot question political committee, or ballot question political fund; or

(2) makes an approved expenditure.

(b) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section.

Sec. 25. Minnesota Statutes 2022, section 10A.15, subdivision 5, is amended to read:

Subd. 5. **Registration number on checks.** A contribution made to a candidate or local candidate by a lobbyist, political committee, political fund, or party unit must show the name of the lobbyist, political committee, political fund, or party unit and the number under which it is registered with the board.

Sec. 26. Minnesota Statutes 2022, section 10A.15, is amended by adding a subdivision to read:

Subd. 8. **Virtual currency contributions.** (a) A principal campaign committee, political committee, political fund, or party unit may accept a donation in kind in the form of virtual currency. The value of donated virtual currency is its fair market value at the time it is donated. The recipient of a virtual currency contribution must sell the virtual currency in exchange for United States currency within five business days after receipt.

(b) Any increase in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as a receipt that is not a contribution pursuant to section 10A.20, subdivision 3. Any decrease in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as an expenditure pursuant to section 10A.20, subdivision 3.

(c) A principal campaign committee, political committee, political fund, or party unit may not purchase goods or services with virtual currency.

Sec. 27. Minnesota Statutes 2022, section 10A.20, subdivision 2a, is amended to read:

Subd. 2a. **Local election reports.** (a) This subdivision applies to a political committee, political fund, or political party unit that during a non-general election year:

(1) spends in aggregate more than \$200 to influence the nomination or election of local candidates;

(2) spends in aggregate more than \$200 to make independent expenditures on behalf of local candidates; or

(3) spends in aggregate more than \$200 to promote or defeat ballot questions defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

(b) In addition to the reports required by subdivision 2, the entities listed in paragraph (a) must file the following reports in each non-general election year:

(1) a first-quarter report covering the calendar year through March 31, which is due April 14;

(2) a report covering the calendar year through May 31, which is due June 14;

(3) a pre-primary-election report due 15 days before the local primary election date specified in section 205.065;

(4) a pre-general-election report due 42 days before the local general election; and

(5) a pre-general-election report due ten days before a local general election.

The reporting obligations in this paragraph begin with the first report due after the reporting period in which the entity reaches the spending threshold specified in paragraph (a). The pre-primary report required under clause (3) is required for all entities required to report under paragraph (a), regardless of whether the candidate or issue is on the primary ballot.

Sec. 28. Minnesota Statutes 2022, section 10A.20, subdivision 5, is amended to read:

Subd. 5. **Pre-election reports.** (a) Any loan, contribution, or contributions:

(1) to a political committee or political fund from any one source totaling more than \$1,000;

(2) to the principal campaign committee of a candidate for an appellate court judicial office totaling more than \$2,000;

(3) to the principal campaign committee of a candidate for district court judge totaling more than \$400; or

(4) to the principal campaign committee of a candidate for constitutional office or for the legislature totaling more than 50 percent of the election segment contribution limit for the office,

received between the last day covered in the last report before an election and the election must be reported to the board in the manner provided in paragraph (b).

(b) A loan, contribution, or contributions required to be reported to the board under paragraph (a) must be reported to the board either:

(1) in person by the end of the next business day after its receipt; or

(2) by electronic means sent ~~within 24 hours after its receipt~~ by the end of the next business day after its receipt.

(c) These loans and contributions must also be reported in the next required report.

(d) This notice requirement does not apply in a primary election to a candidate who is unopposed in the primary, in a primary election to a ballot question political committee or fund, or in a general election to a candidate whose name is not on the general election ballot. The board must post the report on its website by the end of the next business day after it is received.

(e) This subdivision does not apply to a ballot question or independent expenditure political committee or fund that has not met the registration threshold of section 10A.14, subdivision 1a. However, if a contribution that would be subject to this section triggers the registration requirement in section 10A.14, subdivision 1a, then both registration under that section and reporting under this section are required.

Sec. 29. Minnesota Statutes 2022, section 10A.20, subdivision 12, is amended to read:

Subd. 12. **Failure to file; late fees; penalty.** (a) If an individual or association fails to file a report required by this section or section 10A.202, the board may impose a late filing fee and a civil penalty as provided in this subdivision.

(b) If an individual or association fails to file a report required by this section that is due January 31, the board may impose a late filing fee of \$25 per day, not to exceed \$1,000, commencing the day after the report was due.

(c) If an individual or association fails to file a report required by this section that is due before a primary or general election, subdivision 2, 2a, or 5, or by section 10A.202, the board may impose a late filing fee of \$50 per day, not to exceed \$1,000, commencing on the day after the date the statement was due, provided that if the total receipts received during the reporting period or total expenditure reportable under section 10A.202 exceeds \$25,000, then the board may impose a late filing fee of up to two percent of the amount that should have been reported, per day, commencing on the day after the report was due, not to exceed 100 percent of the amount that should have been reported.

(d) If an individual or association has been assessed a late filing fee or civil penalty under this subdivision during the prior four years, the board may impose a late filing fee, a civil penalty, or both, of up to twice the amount otherwise authorized by this subdivision.

(e) Within ten business days after the report was due or receipt by the board of information disclosing the potential failure to file, the board must send notice by certified mail to an individual who fails to file a report within ten business days after the report was due that the individual or association may be subject to a civil penalty for failure to file the report. An individual who fails to file the report within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000 \$2,000 in addition to the late filing fees imposed by this subdivision.

Sec. 30. **[10A.201] ELECTIONEERING COMMUNICATIONS; DEFINITIONS.**

Subdivision 1. **Definitions.** The terms defined in this section apply to this section and to section 10A.202.

Subd. 2. **Broadcast, cable, or satellite communication.** "Broadcast, cable, or satellite communication" means a communication that is publicly distributed by a television station, radio station, cable television system, or satellite system.

Subd. 3. **Can be received by 10,000 or more individuals.** (a) "Can be received by 10,000 or more individuals" means:

(1) in the case of a communication transmitted by an FM radio broadcast station or network, where the district lies entirely within the station's or network's protected or primary service contour, that the population of the district is 10,000 or more;

(2) in the case of a communication transmitted by an FM radio broadcast station or network, where a portion of the district lies outside of the protected or primary service contour, that the population of the part of the district lying within the station's or network's protected or primary service contour is 10,000 or more;

(3) in the case of a communication transmitted by an AM radio broadcast station or network, where the district lies entirely within the station's or network's most outward service area, that the population of the district is 10,000 or more;

(4) in the case of a communication transmitted by an AM radio broadcast station or network, where a portion of the district lies outside of the station's or network's most outward service area, that the population of the part of the district lying within the station's or network's most outward service area is 10,000 or more;

(5) in the case of a communication appearing on a television broadcast station or network, where the district lies entirely within the station's or network's Grade B broadcast contour, that the population of the district is 10,000 or more;

(6) in the case of a communication appearing on a television broadcast station or network, where a portion of the district lies outside of the Grade B broadcast contour;

(i) that the population of the part of the district lying within the station's or network's Grade B broadcast contour is 10,000 or more; or

(ii) that the population of the part of the district lying within the station's or network's broadcast contour, when combined with the viewership of that television station or network by cable and satellite subscribers within the district lying outside the broadcast contour, is 10,000 or more;

(7) in the case of a communication appearing exclusively on a cable or satellite television system, but not on a broadcast station or network, that the viewership of the cable system or satellite system lying within a district is 10,000 or more; or

(8) in the case of a communication appearing on a cable television network, that the total cable and satellite viewership within a district is 10,000 or more.

(b) Cable or satellite television viewership is determined by multiplying the number of subscribers within a district, or a part thereof, as appropriate, by the current national average household size, as determined by the Bureau of the Census.

(c) A determination that a communication can be received by 10,000 or more individuals based on the application of the formula in this section shall create a rebuttable presumption that may be overcome by demonstrating that:

(1) one or more cable or satellite systems did not carry the network on which the communication was publicly distributed at the time the communication was publicly distributed; and

(2) applying the formula to the remaining cable and satellite systems results in a determination that the cable network or systems upon which the communication was publicly distributed could not be received by 10,000 individuals or more.

Subd. 4. Direct costs of producing or airing electioneering communications. "Direct costs of producing or airing electioneering communications" means:

(1) costs charged by a vendor, including studio rental time, staff salaries, costs of video or audio recording media, and talent; and

(2) the cost of airtime on broadcast, cable, or satellite radio and television stations, studio time, material costs, and the charges for a broker to purchase the airtime.

Subd. 5. Disclosure date. "Disclosure date" means:

(1) the first date on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000; or

(2) any other date during the same calendar year on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000 since the most recent disclosure date during that calendar year.

Subd. 6. Electioneering communication. (a) "Electioneering communication" means any broadcast, cable, or satellite communication that:

(1) refers to a clearly identified candidate for state office;

(2) is publicly distributed within 60 days before a general election for the office sought by the candidate; or within 30 days before a primary election, or a convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate, and the candidate referenced is seeking the nomination of that political party; and

(3) is targeted to the relevant electorate, in the case of a candidate for senate, house of representatives, or other office elected by district.

(b) A communication is not an electioneering communication if it:

(1) is publicly disseminated through a means of communication other than a broadcast, cable, or satellite television or radio station;

(2) appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station, unless such facilities are owned or controlled by any political party, political committee, or candidate, provided that a news story distributed through a broadcast, cable, or satellite television or radio station owned or controlled by any political party, political committee, or candidate is not an electioneering communication if the news story meets the requirements described in Code of Federal Regulations, title 11, section 100.132(a) and (b);

(3) constitutes an expenditure or independent expenditure, provided that the expenditure or independent expenditure is required to be reported under this chapter;

(4) constitutes a candidate debate or forum, or that solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum; or

(5) is paid for by a candidate.

Subd. 7. Identification. "Identification" means, in the case of an individual, the individual's full name, including first name, middle name or initial, if available, and last name; mailing address; occupation; and the name of the individual's employer; and, in the case of a person who is not an individual, the person's name and principal place of business.

Subd. 8. Individuals sharing or exercising direction or control. "Individuals sharing or exercising direction or control" means officers, directors, executive directors or the equivalent, partners, and in the case of unincorporated organizations, owners, of the entity or person making the disbursement for the electioneering communication.

Subd. 9. Publicly distributed. "Publicly distributed" means aired, broadcast, cablecast, or otherwise disseminated through the facilities of a television station, radio station, cable television system, or satellite system.

Subd. 10. Refers to a clearly identified candidate. "Refers to a clearly identified candidate" means that the candidate's name, nickname, photograph, or drawing appears, or the identity of the candidate is otherwise apparent through an unambiguous reference such as "the governor," "your legislator," or "the incumbent," or through an unambiguous reference to the candidate's status as a candidate such as "the [political party] gubernatorial nominee" or "the [political party] candidate for senate."

Subd. 11. **Targeted to the relevant electorate.** "Targeted to the relevant electorate" means the communication can be received by 10,000 or more individuals:

(1) in the district the candidate seeks to represent, in the case of a candidate for representative, senator, or other office represented by district; or

(2) in the entire state, if the candidate seeks a statewide office.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 31. **[10A.202] ELECTIONEERING COMMUNICATION; REPORTING REQUIREMENTS.**

Subdivision 1. **Reports required.** Any person who has made an electioneering communication, as defined in section 10A.201, aggregating in excess of \$10,000 during any calendar year shall file a statement with the board no later than 11:59 p.m. on the day following the disclosure date. The statement shall be filed under penalty of perjury, and must contain the information set forth in subdivision 2. Political committees that make a communication described in section 10A.201 must report the communication as a campaign expenditure or independent expenditure as otherwise provided by this chapter and are not required to file a report under this section.

Subd. 2. **Content of report.** A statement of electioneering communications required by this section shall disclose the following information:

(1) the identification of the person who made the disbursement or who executed a contract to make a disbursement and, if the person is not an individual, the person's principal place of business;

(2) the identification of any individual sharing or exercising direction or control over the activities of the person who made the disbursement or who executed a contract to make a disbursement;

(3) the identification of the custodian of the books and accounts from which the disbursements were made;

(4) the amount of each disbursement, or amount obligated, of more than \$200 during the period covered by the statement, the date the disbursement was made or the contract was executed, and the identification of the person to whom that disbursement was made;

(5) all clearly identified candidates referred to in the electioneering communication and the elections in which they are candidates;

(6) the disclosure date;

(7) if the disbursements were paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each donor who donated an amount aggregating \$1,000 or more to the segregated bank account, aggregating since the first day of the preceding calendar year;

(8) if the disbursements were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, and were not made by a corporation or labor organization, the name and address of each donor who donated an amount aggregating \$1,000 or more to the person making the disbursement, aggregating since the first day of the preceding calendar year; and

(9) if the disbursements were made by a corporation or labor organization and were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each person who made a donation aggregating \$1,000 or more to the corporation or labor organization, aggregating since the first day of the preceding calendar year, which was made for the purpose of furthering electioneering communications.

Subd. 3. **Recordkeeping.** All persons who make electioneering communications or who accept donations for the purpose of making electioneering communications must maintain records as necessary to comply with the requirements of this section.

Subd. 4. **Disclaimer required.** An electioneering communication must include a disclaimer in the same manner as required for campaign material under section 211B.04, subdivision 1, paragraph (c).

Subd. 5. **Late fees; failure to file; penalties.** A person who fails to file a report required by this section is subject to the late fees and penalties provided in section 10A.20, subdivision 12.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 32. Minnesota Statutes 2022, section 10A.244, is amended to read:

10A.244 VOLUNTARY INACTIVE STATUS; POLITICAL FUNDS.

Subdivision 1. **Election of voluntary inactive status.** An association that has a political fund registered under this chapter may elect to have the fund placed on voluntary inactive status if the following conditions are met:

(1) the association makes a written request for inactive status;

(2) the association has filed all periodic reports required by this chapter and has received no contributions into its political fund and made no expenditures or disbursements, including disbursements for electioneering communications, through its political fund since the last date included on the association's most recent report; and

(3) the association has satisfied all obligations to the state for late filing fees and civil penalties imposed by the board or the board has waived this requirement.

Subd. 2. **Effect of voluntary inactive status.** After an association has complied with the requirements of subdivision 1:

(1) the board must notify the association that its political fund has been placed in voluntary inactive status and of the terms of this section;

(2) the board must stop sending the association reports, forms, and notices of report due dates that are periodically sent to entities registered with the board;

(3) the association is not required to file periodic disclosure reports for its political fund as otherwise required under this chapter;

(4) the association may not accept contributions into its political fund and may not make expenditures, contributions, or disbursements, including disbursements for electioneering communications, through its political fund; and

(5) if the association maintains a separate depository account for its political fund, it may continue to pay bank service charges and receive interest paid on that account while its political fund is in inactive status.

Subd. 3. **Resumption of active status or termination.** (a) An association that has placed its political fund in voluntary inactive status may resume active status upon written notice to the board.

(b) A political fund placed in voluntary inactive status must resume active status within 14 days of the date that it has accepted contributions or made expenditures, contributions, or disbursements, including disbursements for electioneering communications, that aggregate more than \$750 since the political fund was placed on inactive status. If, after meeting this threshold, the association does not notify the board that its fund has resumed active status, the board may place the association's political fund in active status and notify the association of the change in status.

(c) An association that has placed its political fund in voluntary inactive status may terminate the registration of the fund without returning it to active status.

Subd. 4. **Penalty for financial activity while in voluntary inactive status.** If an association fails to notify the board of its political fund's resumption of active status under subdivision 3, the board may impose a civil penalty of \$50 per day, not to exceed \$1,000 commencing on the 15th calendar day after the fund resumed active status.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 33. Minnesota Statutes 2022, section 10A.25, subdivision 3a, is amended to read:

Subd. 3a. **Independent expenditures and electioneering communications.** The principal campaign committee of a candidate must not make independent expenditures or disbursements for electioneering communications. If the principal campaign committee of a candidate makes a contribution to an independent expenditure committee or independent expenditure fund on or after January 1 of the year the candidate's office will appear on the ballot, the independent expenditure committee or independent expenditure fund must not make an independent expenditure for that candidate.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 34. Minnesota Statutes 2022, section 10A.271, subdivision 1, is amended to read:

Subdivision 1. **Notice to contributors.** A political committee, political fund, political party unit, or principal campaign committee that raises funds through the sale of goods or services must disclose to potential customers that the proceeds from the purchase are a political contribution and to whom the contribution is made. If goods or services are sold in person, the notice may must be provided verbally at the time of purchase, or through the prominent display of a sign providing the notice in immediate proximity to within three feet of, and facing, the point of sale at the location where the goods or services are sold. If goods or services are sold using a website or other electronic means, the notice must be prominently displayed on the page used by potential customers to make a purchase or enter payment information.

Sec. 35. Minnesota Statutes 2022, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or an association not registered with the board during a regular session of the legislature.

(b) During a regular session of the legislature, a candidate for the legislature or for constitutional office, or the candidate's principal campaign committee, must not solicit contributions for or directly assist in the solicitation of contributions for a political party or party unit from a registered lobbyist, political committee, political fund, or an association not registered with the board.

~~(b)~~ (c) A registered lobbyist, political committee, political fund, or an association not registered with the board must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

(d) Regardless of when made, a contribution made by a lobbyist, political committee, or political fund in order to attend an event that occurs during a regular session of the legislature and that is held by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a body of the legislature, is a violation of this section.

(e) Regardless of when made, a contribution from a lobbyist, political committee, or political fund for membership or access to a facility operated during the regular session of the legislature by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a body of the legislature, is a violation of this section.

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

Sec. 36. Minnesota Statutes 2022, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, ~~with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district,~~ are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph (h):

(1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone call, voice mail, text message, multimedia message, internet chat message, or email when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a booth at a community event, county fair, or state fair that benefits three or more individuals whose names are to appear on the ballot;

~~(4)~~ (5) expenditures for a political party fundraising effort on behalf of three or more candidates; or

~~(5)~~ (6) expenditures for party committee staff services that benefit three or more candidates.

Sec. 37. Minnesota Statutes 2022, section 10A.38, is amended to read:

10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.

(a) This section applies to a campaign advertisement by a candidate who is governed by an agreement under section 10A.322.

(b) "Campaign advertisement" means a professionally produced visual or audio recording of two minutes or less produced by the candidate for the purpose of influencing the nomination or election of a candidate.

(c) A campaign advertisement that is disseminated as an advertisement by broadcast or cable television must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement that is disseminated as an advertisement to the public on the candidate's website must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has posted on the website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement must not be disseminated as an advertisement by radio unless the candidate has posted on the candidate's website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so.

(d) A candidate who fails to comply with the requirements of paragraph (c) is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 38. **REPEALER.**

Minnesota Rules, part 4511.0600, subpart 5, is repealed."

Delete the title and insert:

"A bill for an act relating to elections; modifying election administration provisions relating to voter registration, absentee voting, and election day voting; establishing early voting; adopting the national popular vote compact; allowing access for census workers; regulating intimidation, deceptive practices, and interference with voter registration and voting; amending requirements related to soliciting near the polling place; modifying campaign finance provisions; modifying campaign finance reporting requirements; expanding the definition of express advocacy; requiring disclosure of electioneering communications; prohibiting certain contributions during the legislative session; modifying provisions related to lobbying; establishing the voting operations, technology, and election resources account; providing penalties; making technical and clarifying changes; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 5.30, subdivision 2; 5B.06; 10A.01, subdivisions 5, 16a, 21, 26, 30, by adding subdivisions; 10A.022, subdivision 3; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding a subdivision; 10A.04, subdivisions 3, 4, 6, 9; 10A.05; 10A.06; 10A.071, subdivision 1; 10A.09, subdivision 5, by adding a subdivision; 10A.121, subdivisions 1, 2; 10A.15, subdivision 5, by adding a subdivision; 10A.20, subdivisions 2a, 5, 12; 10A.244; 10A.25, subdivision 3a; 10A.27, subdivision 11; 10A.271, subdivision 1; 10A.273, subdivision 1; 10A.275, subdivision 1; 10A.31, subdivision 4; 10A.38; 13.607, by adding a subdivision; 135A.17, subdivision 2; 171.06, subdivision 3, as amended; 200.02, subdivision 7; 201.022, subdivision 1; 201.054, subdivisions 1, 2; 201.061, subdivisions 1, 3, by adding subdivisions; 201.071, subdivisions 1, as amended, 8; 201.091, subdivisions 4, 4a; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivision 3; 201.161; 201.1611, subdivision 1, by adding a subdivision; 201.162; 201.195; 201.225, subdivision 2; 202A.18, subdivision 2a; 203B.001; 203B.01, by adding subdivisions; 203B.03, subdivision 1; 203B.04, subdivisions 1, 5; 203B.05, subdivision 1; 203B.06, subdivisions 1, 3; 203B.08, subdivisions 1, 3; 203B.081, subdivisions 1, 3, by adding subdivisions; 203B.085; 203B.11, subdivisions 2, 4; 203B.12, subdivision 7, by adding subdivisions; 203B.121, subdivisions 1, 2, 3, 4; 203B.16, subdivision 2; 204B.06, subdivisions 1, 1b, 4a, by adding a subdivision; 204B.09, subdivisions 1, 3; 204B.13, by adding a subdivision; 204B.14, subdivision 2; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.26; 204B.28, subdivision 2; 204B.32, subdivision 2; 204B.35, by adding a subdivision; 204B.45, subdivisions 1, 2, by adding a subdivision; 204B.46; 204B.49; 204C.04, subdivision 1; 204C.07, subdivision 4; 204C.15, subdivision 1; 204C.19, subdivision 3; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.33, subdivision 3; 204C.35, by adding a subdivision; 204C.39, subdivision 1; 204D.08, subdivisions 5, 6; 204D.09, subdivision 2; 204D.14, subdivision 1; 204D.16; 204D.19, subdivision 2; 204D.22, subdivision 3; 204D.23, subdivision 2; 204D.25, subdivision 1; 205.13, subdivision 5; 205.16, subdivision 2; 205.175, subdivision 3; 205A.09, subdivision 2; 205A.10, subdivision 5; 205A.12, subdivision 5; 206.58, subdivisions 1, 3; 206.61, subdivision 1; 206.80; 206.83; 206.845, subdivision 1, by adding a subdivision; 206.86,

by adding a subdivision; 206.90, subdivision 10; 207A.12; 207A.15, subdivision 2; 208.05; 209.021, subdivision 2; 211B.11, subdivision 1; 211B.15, subdivisions 1, 7b, 8, by adding subdivisions; 211B.20, subdivision 1; 211B.32, subdivision 1; 367.03, subdivision 6; 447.32, subdivision 4; Laws 2023, chapter 12, section 9; proposing coding for new law in Minnesota Statutes, chapters 2; 5; 10A; 203B; 204B; 208; 211B; repealing Minnesota Statutes 2022, sections 202A.16; 203B.081, subdivision 2; 204D.04, subdivision 1; 204D.13, subdivisions 2, 3; Minnesota Rules, part 4511.0600, subpart 5."

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

The report was adopted.

Klevorn from the Committee on State and Local Government Finance and Policy to which was referred:

H. F. No. 1830, A bill for an act relating to state government; specifying the types of collateral the Executive Council may approve for deposit with the commissioner of management and budget; amending Minnesota Statutes 2022, section 9.031, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>LEGISLATURE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$151,648,000</u>	<u>\$123,297,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Senate</u>	<u>41,045,000</u>	<u>43,845,000</u>
Subd. 3. <u>House of Representatives</u>	<u>48,046,000</u>	<u>48,558,000</u>
Subd. 4. <u>Legislative Coordinating Commission</u>	<u>62,557,000</u>	<u>30,894,000</u>

\$15,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

\$148,000 in the first year and \$104,000 in the second year are for the Legislative Task Force on Aging. This is a onetime appropriation.

\$500,000 each year is to provide translation services for legislative business. This is a onetime appropriation and is available until June 30, 2027.

Legislative Auditor. \$10,459,000 in the first year and \$11,526,000 in the second year are for the Office of the Legislative Auditor.

Revisor of Statutes. \$22,250,000 in the first year and \$8,714,000 in the second year are for the Office of the Revisor of Statutes. Of these amounts, \$14,000,000 in the first year is available until June 30, 2027.

Legislative Reference Library. \$2,055,000 in the first year and \$2,184,000 in the second year are for the Legislative Reference Library.

Legislative Budget Office. \$2,454,000 in the first year and \$2,669,000 in the second year are for the Legislative Budget Office.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR**

\$9,258,000

\$9,216,000

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) \$19,000 each year is for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. **STATE AUDITOR**

\$15,809,000

\$14,254,000

The base for this appropriation is \$14,268,000 in fiscal year 2026 and \$14,278,000 in fiscal year 2027.

\$500,000 the first year is for assistance and grants to towns to facilitate use of the Small City and Town Accounting System.

\$500,000 the first year is to provide a regulatory compliance and oversight dashboard.

Sec. 5. **ATTORNEY GENERAL** **\$56,296,000** **\$43,825,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>53,380,000</u>	<u>40,909,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>2,521,000</u>	<u>2,521,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

\$2,500,000 from the general fund the first year is for antitrust and nonprofit oversight.

Sec. 6. **SECRETARY OF STATE** **\$10,267,000** **\$10,379,000**

The base for this appropriation is \$10,247,000 in fiscal year 2026 and \$10,379,000 in fiscal year 2027.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** **\$800,000** **\$800,000**

These amounts are for information technology project costs, including enhanced cybersecurity, geospatial coding, and cloud integration. This is a onetime appropriation.

Sec. 8. **STATE BOARD OF INVESTMENT** **\$139,000** **\$139,000**

Sec. 9. **ADMINISTRATIVE HEARINGS** **\$12,512,000** **\$10,260,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,744,000</u>	<u>444,000</u>
<u>Workers' Compensation</u>	<u>9,768,000</u>	<u>9,816,000</u>

\$263,000 each year is for municipal boundary adjustments.

The base for the general fund appropriation is \$559,000 in fiscal year 2026 and \$459,000 in fiscal year 2027.

Sec. 10. **INFORMATION TECHNOLOGY SERVICES** **\$79,415,000** **\$79,840,000**

The base for this appropriation is \$10,553,000 in fiscal year 2026 and \$10,572,000 in fiscal year 2027.

During the biennium ending June 30, 2025, the Office of MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

(a) **Cybersecurity Grant Program.** \$2,204,000 the first year and \$3,521,000 the second year are for a state and local cybersecurity improvement grant program for political subdivisions and Minnesota Tribal governments, as established in Minnesota Statutes, section 16E.35. This is a onetime appropriation and is available until June 30, 2027.

(b) **Statewide Cybersecurity Enhancements.** \$10,280,000 the first year and \$16,875,000 the second year are to procure, implement, and support advanced cybersecurity tools that combat persistent and evolving cybersecurity threats. This is a onetime appropriation and is available until June 30, 2027.

(c) **Executive Branch Cloud Transformation.** \$10,685,000 the first year and \$22,910,000 the second year are to support planning, migration, modernization, infrastructure, training, and services required for executive branch cloud transformation to modernize enterprise information technology delivery for state agency business partners. This is a onetime appropriation and is available until June 30, 2027.

(d) **Targeted Application Modernization.** \$25,000,000 the first year and \$20,000,000 the second year are to modernize targeted applications to improve user experiences with digital services provided by state agencies, enable service delivery transformation, and systematically address aging technology. This is a onetime appropriation and is available until June 30, 2027.

(e) **Children's Cabinet IT Innovation.** \$3,000,000 the first year and \$1,000,000 the second year are to provide technology capabilities that support centering Minnesota children and their families over agency structures and provide dedicated information technology resources to deliver innovative digital services to children and families. This is a onetime appropriation and is available until June 30, 2027.

(f) **MnGeo; Expanding Data-Driven Decision Making with GIS Data.** \$358,000 the first year and \$376,000 the second year are to enhance the state's ability to lead collaborative geographic data collection and to produce additional publicly available data. The base for this appropriation is \$395,000 in fiscal year 2026 and \$414,000 in fiscal year 2027.

(g) Supporting Accessible Technology in State Government. \$1,200,000 the first year is to support accessible government in Minnesota. This is a onetime appropriation and is available until June 30, 2027.

(h) Public Land Survey System. \$16,000,000 the first year and \$4,000,000 the second year are for the grant program authorized by Minnesota Statutes, section 381.125. Up to four percent of this appropriation may be used by the chief geospatial information officer for the administration of the grant program. This is a onetime appropriation and is available until June 30, 2027.

\$1,000,000 each year is for grants to counties to employ county technical staff to aid surveyors marking public land survey corners. This a onetime appropriation.

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation**

\$77,765,000

\$47,756,000

The base for this appropriation is \$33,581,000 in fiscal year 2026 and \$33,343,000 in fiscal year 2027.

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

Subd. 2. **Government and Citizen Services**

43,918,000

19,188,000

The base for this appropriation is \$15,513,000 in fiscal year 2026 and \$15,525,000 in fiscal year 2027.

\$5,000,000 the first year is to implement the updated Capitol Mall Design Framework, prioritizing the framework plans identified in article 2, section 54. This appropriation is available until December 31, 2024.

Council on Developmental Disabilities. \$222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. \$200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Procurement Technical Assistance Center. \$350,000 each year is for the Procurement Technical Assistance Center.

Office of the State Archaeologist. \$806,000 the first year and \$822,000 the second year are for the Office of the State Archaeologist. The base for this appropriation is \$773,000 in fiscal year 2026. The base for this appropriation in fiscal year 2027 and each year thereafter is \$785,000.

Of these amounts, \$236,000 the first year and \$242,000 the second year are for the Archaeological and Cemetery Site Inventory Portal. The base in fiscal year 2026 is \$193,000 and \$205,000 in fiscal year 2027 and each year thereafter.

Disparity Study. \$500,000 the first year and \$1,000,000 the second year are to conduct a disparity study required under Minnesota Statutes, section 16C.16, subdivision 5. This is a onetime appropriation.

Grants Administration Oversight. \$7,405,000 the first year and \$1,771,000 the second year are for the Office of Grant Management, including grant administration oversight, systems, and equity. This appropriation is available until June 30, 2027. The base for this appropriation in fiscal year 2026 and each year thereafter is \$570,000.

Of these amounts, \$735,000 the first year and \$201,000 the second year are for a study to develop a road map on the need for an enterprise grants management system and to implement the study's recommendation. This is a onetime appropriation.

Small Agency Resource Team. \$940,000 the first year and \$856,000 the second year are for the Small Agency Resource Team.

Of these amounts, \$102,000 the first year is to complete the small agency study required by article 2, section 56.

State Historic Preservation Office. \$1,274,000 the first year and \$1,352,000 the second year are for the State Historic Preservation Office. The base for this appropriation in fiscal year 2026 and each year thereafter is \$1,012,000.

Of these amounts, \$485,000 the first year and \$500,000 the second year are for electronic project systems and critical database integration and are available through June 30, 2027. The base for this appropriation in fiscal year 2026 and each year thereafter is \$160,000.

Risk Management Fund Property Self-Insurance. \$12,500,000 the first year is for transfer to the risk management fund under Minnesota Statutes, section 16B.85. This is a onetime appropriation.

Office of Enterprise Translations. \$1,306,000 the first year and \$1,159,000 the second year are to establish the Office of Enterprise Translations. \$250,000 each year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

Parking Fund. \$3,255,000 the first year and \$1,085,000 the second year are for a transfer to the state parking account to maintain the operations of the parking and transit program on the Capitol complex.

Subd. 3. <u>Strategic Management Services</u>	<u>2,414,000</u>	<u>2,485,000</u>
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Subd. 4. <u>Fiscal Agent</u>	<u>31,433,000</u>	<u>26,083,000</u>
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The base for this appropriation is \$15,583,000 in fiscal year 2026 and \$15,333,000 in fiscal year 2027.

The appropriations under this subdivision are to the commissioner of administration for the following purposes specified.

In-Lieu of Rent. \$11,129,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) \$1,500,000 each year is for block grants to public television stations under Minnesota Statutes, section 129D.13, for operational costs. The base for this appropriation is \$500,000 in fiscal year 2026 and thereafter. Of this amount, up to three percent is for the commissioner of administration to administer the grants.

(d) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) to (c) for equipment or matching grants.

Public Radio. (a) \$1,742,000 the first year and \$1,492,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages. The base for this appropriation is \$992,000 in fiscal year 2026 and \$742,000 in fiscal year 2027.

(b) \$142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment, including equipment under \$500.

(c) \$850,000 the first year and \$1,000,000 the second year are for grants to public educational radio stations for the purchase of emergency equipment and increased cybersecurity and broadcast technology. This is a onetime appropriation.

(d) \$1,250,000 the first year is for grants to public educational radio stations to provide a diverse community radio news service. This appropriation is available until June 30, 2027.

(e) \$1,020,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(f) The appropriations in paragraphs (a) to (e) may not be used for indirect costs claimed by an institution or governing body.

(g) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) to (d). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2023.

(h) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Real Estate and Construction Services. \$12,000,000 the first year and \$8,000,000 the second year are to facilitate space consolidation and the transition to a hybrid work environment, including but not limited to the design, remodel, equipping, and furnishing of the space. This appropriation may also be used for relocation and rent loss. This is a onetime appropriation and is available through June 30, 2027.

Sec. 12. **CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD**

\$1,070,000

\$510,000

The base for this appropriation in fiscal year 2026 and each year thereafter is \$455,000.

\$500,000 the first year is to support commemorative artwork activities. This is a onetime appropriation and is available until June 30, 2028.

\$130,000 in fiscal year 2024 and \$55,000 in fiscal year 2025 are for mandatory zoning and design rules. This is a onetime appropriation.

Sec. 13. **MINNESOTA MANAGEMENT AND BUDGET**

\$52,558,000

\$52,856,000

The base for this appropriation is \$49,356,000 in fiscal year 2026 and thereafter.

(a) \$466,000 in fiscal year 2024 and \$622,000 in fiscal year 2025 are for the establishment of a statewide internal audit office.

(b) \$2,700,000 each year is for the establishment of an enterprise accountability and performance unit.

(c) \$1,000,000 each year is for administration and staffing of the Children's Cabinet established in Minnesota Statutes, section 4.045.

(d) \$317,000 each year is to increase the agency's capacity to proactively raise awareness about the capital budget process and provide technical assistance around the requirements associated with the capital budget process and receiving general fund or general obligation bond funding for capital projects, including compliance requirements that must be met at various stages of capital project development, with particular focus on nonprofits, American Indian communities, and communities of color that have traditionally not participated in the state capital budget process. This appropriation may also be used to increase the agency's capacity to coordinate with other state agencies regarding the administration of grant agreements, programs, and technical assistance related to capital projects governed by the provisions of Minnesota Statutes, chapter 16A, and other applicable laws and statutes.

Sec. 14. **REVENUE**

Subdivision 1. Total Appropriation

\$194,566,000

\$203,778,000

The base for this appropriation is \$203,728,000 in fiscal year 2026 and thereafter.

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	190,306,000	199,518,000
<u>Health Care Access</u>	1,760,000	1,760,000
<u>Highway User Tax</u>		
<u>Distribution</u>	2,195,000	2,195,000
<u>Environmental</u>	305,000	305,000

Subd. 2. Tax System Management

161,715,000

168,851,000

The base for this appropriation is \$168,749,000 in fiscal year 2026 and \$168,823,000 in fiscal year 2027.

Appropriations by Fund

<u>General</u>	157,455,000	164,591,000
<u>Health Care Access</u>	1,760,000	1,760,000
<u>Highway User Tax</u>		
<u>Distribution</u>	2,195,000	2,195,000
<u>Environmental</u>	305,000	305,000

Taxpayer Assistance. (a) \$750,000 each year is for the commissioner of revenue to make grants to one or more eligible organizations, qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986 to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. Debt Collection Management

32,851,000

34,927,000

The base for this appropriation is \$34,979,000 in fiscal year 2026 and \$34,905,000 in fiscal year 2027.

Sec. 15. GAMBLING CONTROL BOARD

\$6,362,000

\$6,331,000

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 16. RACING COMMISSION

\$1,933,000

\$954,000

Appropriations by Fund

General	<u>1,000,000</u>	<u>-0-</u>
Special Revenue	<u>933,000</u>	<u>954,000</u>

The special revenue fund appropriations are from the racing and card playing regulation accounts in the special revenue fund.

\$1,000,000 in fiscal year 2024 from the general fund is for costs related to the federal Horseracing Integrity and Safety Act.

Sec. 17. STATE LOTTERY

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed \$40,000,000 in fiscal year 2024 and \$40,000,000 in fiscal year 2025.

Sec. 18. AMATEUR SPORTS COMMISSION

\$1,229,000

\$391,000

\$850,000 the first year is for upgrades necessary to support the installation of solar panels on the roof of the ice arena complex at the National Sports Center.

Sec. 19. COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE

\$795,000

\$816,000

Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u>	<u>\$664,000</u>	<u>\$680,000</u>
Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC MINNESOTANS</u>	<u>\$623,000</u>	<u>\$645,000</u>
Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	<u>\$1,337,000</u>	<u>\$1,360,000</u>
Sec. 23. <u>MINNESOTA HISTORICAL SOCIETY</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$26,001,000</u>	<u>\$26,957,000</u>

The base for this appropriation in fiscal year 2026 and each year thereafter is \$26,457,000.

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

Subd. 2. <u>Operations and Programs</u>	<u>25,680,000</u>	<u>26,636,000</u>
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Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

(a) \$375,000 each year is to support statewide historic sites and museums and enhance in-person school programs.

(b) \$45,000 the first year is for the State Emblems Redesign Commission.

(c) The base for this appropriation in fiscal year 2026 and each year thereafter is \$26,136,000.

Subd. 3. <u>Fiscal Agent</u>	<u>321,000</u>	<u>321,000</u>
(a) <u>Global Minnesota</u>	<u>39,000</u>	<u>39,000</u>
(b) <u>Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
(c) <u>Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
(d) <u>Farmamerica</u>	<u>115,000</u>	<u>115,000</u>
(e) <u>Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 24. **BOARD OF THE ARTS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$7,774,000</u>	<u>\$7,787,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Services</u>	<u>835,000</u>	<u>848,000</u>
Subd. 3. <u>Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
Subd. 4. <u>Regional Arts Councils</u>	<u>2,139,000</u>	<u>2,139,000</u>

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. <u>MINNESOTA HUMANITIES CENTER</u>	<u>\$3,470,000</u>	<u>\$3,470,000</u>
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\$500,000 each year is for Healthy Eating, Here at Home grants under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the program. The base for this appropriation in fiscal year 2026 and each year thereafter is \$631,000.

\$2,500,000 each year is for civility and cultural awareness programs and grants. If the center awards grants, it may retain up to five percent of the amount allocated to grants for administrative costs associated with the grants. This is a onetime appropriation and is available until June 30, 2027.

Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	<u>\$844,000</u>	<u>\$859,000</u>
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Sec. 27. <u>BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$893,000</u>	<u>\$913,000</u>
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Sec. 28. <u>BOARD OF COSMETOLOGIST EXAMINERS</u>	<u>\$3,379,000</u>	<u>\$3,599,000</u>
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Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	<u>\$442,000</u>	<u>\$452,000</u>
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Sec. 30. <u>GENERAL CONTINGENT ACCOUNTS</u>	<u>\$2,500,000</u>	<u>\$2,000,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>2,000,000</u>	<u>1,500,000</u>
State Government		
Special Revenue	<u>400,000</u>	<u>400,000</u>
Workers' Compensation	<u>100,000</u>	<u>100,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30. The general fund base is \$1,000,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. **TORT CLAIMS**

\$161,000

\$161,000

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available both years.

Sec. 32. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. **Total Appropriation**

\$14,543,000

\$14,372,000

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

Subd. 2. **Combined Legislators and Constitutional Officers Retirement Plan**

8,543,000

8,372,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. **Judges Retirement Plan**

6,000,000

6,000,000

For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 33. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

\$25,000,000

\$25,000,000

(a) \$9,000,000 the first year and \$9,000,000 the second year are for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are \$16,000,000 on September 15, 2024, and \$16,000,000 on September 15, 2025. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 34. **TEACHERS RETIREMENT ASSOCIATION** **\$29,831,000** **\$29,831,000**

The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. **ST. PAUL TEACHERS RETIREMENT FUND** **\$14,827,000** **\$14,827,000**

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. **REDUCTION IN APPROPRIATION AND CANCELLATION; COVID-19 MANAGEMENT.**

The fiscal year 2022 general fund appropriation in Laws 2022, chapter 50, article 3, section 1, is reduced by \$58,334,000 and that amount is canceled to the general fund.

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

Sec. 37. **APPROPRIATION REDUCTION FOR EXECUTIVE AGENCIES.**

(a) The commissioner of management and budget must reduce general fund appropriations to executive agencies for agency operations for the biennium ending June 30, 2025, by \$8,672,000 due to savings from reduced transfers to the Governor's Office account in the special revenue fund.

(b) If savings are obtained through reduced transfers from nongeneral funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of savings to the general fund. The amount transferred to the general fund from other funds reduces the required general fund reduction in this section. Reductions made in 2025 must be reflected as reductions in agency base budgets for fiscal years 2026 and 2027.

Sec. 38. **CAPITOL MALL DESIGN FRAMEWORK.**

\$1,000,000 in fiscal year 2023 is appropriated from the general fund to the Capitol Area Architectural and Planning Board to update the Capitol Mall Design Framework and for initial implementation of the framework. This is a onetime appropriation and is available until December 31, 2024.

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

Sec. 39. **SCIENCE MUSEUM OF MINNESOTA REVENUE RECOVERY.**

\$500,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are appropriated from the general fund to the Science Museum of Minnesota for revenue recovery. This is a onetime appropriation.

Sec. 40. **OFFICE OF ADMINISTRATIVE HEARINGS; DEFICIENCY APPROPRIATION.**

\$196,000 in fiscal year 2023 is appropriated from the general fund to the Office of Administrative Hearings to maintain fair, timely, and impartial hearings in campaign and data practices matters. This is a onetime appropriation and is available until June 30, 2025.

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

Sec. 41. **ST. ANTHONY FALLS STUDY.**

\$1,000,000 in fiscal year 2024 is appropriated from the general fund to the Board of Regents of the University of Minnesota for a geophysical study and hazard assessment of the St. Anthony Falls area and St. Anthony Falls cutoff wall. The study must include a field-based investigation of the cutoff wall and other subsurface structures, modeling of the surrounding area, examination of public safety and infrastructure risks posed by potential failure of the cutoff wall or surrounding area, and emergency response plan for identified risks. By conducting this study, the Board of Regents does not consent to accepting liability for the current condition or risks posed by a potential failure of the cutoff wall. By July 1, 2025, the Board of Regents must submit a report to the legislative committees with jurisdiction over state and local government policy and finance. This appropriation is available until June 30, 2025.

Sec. 42. **STATE FACILITIES ASSET PRESERVATION.**

\$7,019,000 is transferred from the general fund to the asset preservation account in the special revenue fund established in Minnesota Statutes, section 16B.24, subdivision 5, paragraph (d).

ARTICLE 2
STATE AND LOCAL GOVERNMENT POLICY

Section 1. Minnesota Statutes 2022, section 1.135, subdivision 2, is amended to read:

Subd. 2. **Official seal.** The seal described in subdivision 3 ~~3a~~ is the "Great Seal of the State of Minnesota." When the seal, the impression of the seal, the scene within the seal, or its likeness is reproduced at state expense, it must conform to subdivision 3 and section 4.04. A seal, impression, scene, or likeness which does not conform to these provisions is not official.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 2. Minnesota Statutes 2022, section 1.135, is amended by adding a subdivision to read:

Subd. 3a. **Official seal; May 11, 2024, and thereafter.** The Great Seal of the State of Minnesota is the design as certified in the report of the State Emblems Redesign Commission, as established by this act.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 3. Minnesota Statutes 2022, section 1.135, subdivision 4, is amended to read:

Subd. 4. **Additional effects; size.** Every effort shall be made to reproduce the seal with justification to the 12 o'clock position ~~and with attention to the authenticity of the illustrations used to create the scene within the seal. The description of the scene in this section does not preclude the graphic inclusion of the effects of movement, sunlight, or falling water when the seal is reproduced. Nor does.~~ This section does not prohibit the enlargement, proportioned reduction, or embossment of the seal for its use in unofficial acts.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 4. Minnesota Statutes 2022, section 1.135, subdivision 6, is amended to read:

Subd. 6. **State's duties.** State agencies and departments using the seal, its impression, ~~the scene within the seal~~ or its likeness shall make every effort to bring any seal, impression, ~~scene,~~ or likeness currently fixed to a permanent object into accordance with this section and section 4.04. Expendable material to which the seal in effect prior to

May 11, 2024, or any impression, scene, or likeness of that seal is currently affixed may be used until the supply is exhausted or until January 1, 2025, whichever occurs first. All unused dies and engravings of the Great Seal shall be given to the Minnesota Historical Society, along with all historical information available about the seal, to be retained in the society's permanent collection.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 5. Minnesota Statutes 2022, section 1.141, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** The design of the state flag ~~proposed by the Legislative Interim Commission acting under Laws 1955, chapter 632, as certified in the report of the State Emblems Redesign Commission, as established by this act,~~ is adopted as the official state flag.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 6. Minnesota Statutes 2022, section 3.099, subdivision 3, is amended to read:

Subd. 3. **Leaders.** The senate Committee on Rules and Administration for the senate and the house of representatives Committee on Rules and Legislative Administration for the house of representatives may each designate for their respective body up to ~~three~~ five leadership positions to receive up to 140 percent of the compensation of other members.

At the commencement of each biennial legislative session, each house of the legislature shall adopt a resolution designating its majority and minority leader.

The majority leader is the person elected by the caucus of members in each house which is its largest political affiliation. The minority leader is the person elected by the caucus which is its second largest political affiliation.

Sec. 7. **[3.1985] LEGISLATIVE FUNDING; APPROPRIATION.**

Subdivision 1. **Definition.** As used in this section, "sums sufficient to operate" means funds necessary to support the functions of the respective entity receiving the appropriation. These sums may include but are not limited to those necessary for member and employee compensation and expenses, supplies and facilities management, safety and security, payments required under lease agreements for real property, and other expenses associated with legislative sessions, interim activities, public hearings, public outreach, and related activities.

Subd. 2. **House of representatives.** (a) Sums sufficient to operate the house of representatives are appropriated from the general fund or other funds, as appropriate, to the house of representatives.

(b) No later than June 30 of each odd-numbered year, the controller of the house of representatives must certify to the commissioner of management and budget the amounts to be appropriated under this section for the fiscal year beginning July 1 of the same odd-numbered year.

(c) No later than October 15 and January 15 of each year, the controller of the house of representatives must certify to the commissioner of management and budget any changes to the current biennium's appropriations. Certifications provided by October 15 of an even-numbered year and January 15 of an odd-numbered year must include estimated amounts to be appropriated for the fiscal biennium beginning the next July 1.

(d) Amounts certified under paragraphs (b) and (c) must be the amounts determined by a majority vote conducted during a public meeting of the house of representatives Committee on Rules and Legislative Administration. The committee must accept public comment on the proposed amounts.

(e) At any time between the date funds are certified under this subdivision and the last date for adjusting the certified amount, the Legislative Advisory Commission may convene a meeting to review and provide advice on the certified amount. At its discretion, the Committee on Rules and Legislative Administration may incorporate the advice of the commission when making an adjustment to the certified amount.

Subd. 3. **Senate.** (a) Sums sufficient to operate the senate are appropriated from the general fund or other funds, as appropriate, to the senate.

(b) No later than June 30 of each odd-numbered year, the secretary of the senate must certify to the commissioner of management and budget the amounts to be appropriated under this section for the fiscal year beginning July 1 of the same odd-numbered year.

(c) No later than October 15 and January 15 of each year, the secretary of the senate must certify to the commissioner of management and budget any changes to the current biennium's appropriations. Certifications provided by October 15 of an even-numbered year and January 15 of an odd-numbered year must include estimated amounts to be appropriated for the fiscal biennium beginning the next July 1.

(d) Amounts certified under paragraphs (b) and (c) must be the amounts determined by a majority vote conducted during a public meeting of the senate Committee on Rules and Administration. The committee must accept public comment on the proposed amounts.

(e) At any time between the date funds are certified under this subdivision and the last date for adjusting the certified amount, the Legislative Advisory Commission may convene a meeting to review and provide advice on the certified amount. At its discretion, the senate Committee on Rules and Administration may incorporate the advice of the commission when making an adjustment to the certified amount.

Subd. 4. **Legislative Coordinating Commission.** (a) Sums sufficient to operate the Legislative Coordinating Commission are appropriated from the general fund or other funds, as appropriate, to the Legislative Coordinating Commission.

(b) No later than June 30 of each odd-numbered year, the executive director of the Legislative Coordinating Commission must certify to the commissioner of management and budget the amounts to be appropriated under this section for the fiscal biennium beginning July 1 of the same odd-numbered year.

(c) No later than October 15 and January 15 of each year, the executive director must certify to the commissioner of management and budget any changes to the current biennium's appropriations. Certifications provided by October 15 of an even-numbered year and January 15 of an odd-numbered year must include estimated amounts to be appropriated for the fiscal biennium beginning the next July 1.

(d) The amounts certified under paragraphs (b) and (c) must be the amounts recommended by the Legislative Coordinating Commission by majority vote in a public meeting, and approved by majority votes of both the house Committee on Rules and Legislative Administration and the senate Committee on Rules and Administration in public meetings. The commission and committees must accept public comment on the proposed amounts in the meetings where the amounts are recommended or approved. The total amount certified must identify specific amounts appropriated for each of the following joint legislative offices:

- (1) the Legislative Budget Office;
- (2) the Legislative Coordinating Commission;
- (3) the Legislative Reference Library;
- (4) the Office of the Legislative Auditor; and
- (5) the Office of the Revisor of Statutes.

Subd. 5. **Other appropriations.** Nothing in this section precludes the house of representatives, the senate, or a joint legislative office or commission of the Legislative Coordinating Commission from receiving a direct appropriation by law or another statutory appropriation for a specific purpose provided in the direct or statutory appropriation. If the house of representatives, the senate, or a joint legislative office or commission receives a direct or statutory appropriation, the amount appropriated is distinct from and must not be considered during the biennial appropriation certification process under subdivision 2, 3, or 4.

EFFECTIVE DATE; APPLICABILITY. This section is effective July 1, 2025, and applies to appropriations for fiscal years 2026 and thereafter.

Sec. 8. Minnesota Statutes 2022, section 3.97, subdivision 2, is amended to read:

Subd. 2. **Membership; terms; meetings; compensation; powers.** The Legislative Audit Commission consists of:

(1) three members of the senate appointed by the ~~Subcommittee on Committees of the Committee on Rules and Administration of the senate~~ majority leader;

(2) three members of the senate appointed by the senate minority leader;

(3) three members of the house of representatives appointed by the speaker of the house; and

(4) three members of the house of representatives appointed by the house of representatives minority leader.

Members shall serve until replaced, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives, and shall be of different political parties. The commission shall meet at the call of the chair. The members shall serve without compensation but be reimbursed for their reasonable expenses as members of the legislature. The commission may exercise the powers prescribed by section 3.153.

Sec. 9. Minnesota Statutes 2022, section 3.972, subdivision 3, is amended to read:

Subd. 3. **Audit contracts.** ~~Notwithstanding any other law, A state department, board, commission, or other state agency shall not negotiate a contract~~ contracting with a public accountant for an audit, except a contract negotiated by the state auditor for an audit of a local government, ~~unless the contract has been reviewed by the legislative auditor. The legislative auditor shall not participate in the selection of the public accountant but shall review and submit written comments on the proposed contract within seven days of its receipt. Upon completion of the audit, the legislative auditor shall be given~~ must provide the legislative auditor with a copy of the final report of the audit upon completion of the audit.

Sec. 10. Minnesota Statutes 2022, section 3.978, subdivision 2, is amended to read:

Subd. 2. **Inquiry and inspection power; duty to aid legislative auditor.** All public officials and their deputies and employees, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times: (1) afford reasonable facilities for examinations by the legislative auditor; ~~make;~~ (2) provide returns and reports required by the legislative auditor; (3) attend and answer under oath the legislative auditor's lawful inquiries; (4) produce and exhibit all books, accounts, documents, data of any classification, and property that the legislative auditor requests to inspect; and (5) in all things cooperate with the legislative auditor.

Sec. 11. Minnesota Statutes 2022, section 3.979, subdivision 2, is amended to read:

Subd. 2. **Access to data by commission members.** Members of the commission have access to not public data that is collected or used by the legislative auditor ~~and classified as not public or as private or confidential~~ only as authorized by resolution of the commission. The commission may not authorize its members to have access to private or confidential data on individuals collected or used in connection with the collection of any tax.

Sec. 12. Minnesota Statutes 2022, section 3.979, subdivision 3, is amended to read:

Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit, program evaluation, special review, ~~or investigation, or assessment of an allegation or report submitted to the legislative auditor.~~ Notwithstanding any other law, data relating to an audit are ~~not public or with respect to data on individuals are confidential or protected nonpublic~~ until the final report of the audit has been released by the legislative auditor or the audit is no longer being actively pursued. Upon release of a final audit report by the legislative auditor, data relating to an audit are public except data otherwise classified as not public. Unless the data is subject to a more restrictive classification by another law, upon the legislative auditor's decision to no longer actively pursue an audit without the release of a final audit report, data relating to an audit are private or nonpublic.

(b) Data related to an audit but not published in the audit report and that the legislative auditor reasonably believes will be used in litigation ~~are not public and with respect to data on individuals are confidential or protected nonpublic~~ until the litigation has been completed or is no longer being actively pursued.

(c) Data that could reasonably be used to determine the identity of an individual or entity supplying data for an audit are private or nonpublic if the data supplied ~~by the individual~~ were needed for an audit and ~~the individual~~ would not have been provided ~~the data~~ to the legislative auditor without an assurance that the ~~individual's~~ identity of the individual or entity would remain private or nonpublic, or the legislative auditor reasonably believes that the ~~subject data~~ data would not have been provided ~~the data~~.

(d) ~~The definitions of terms provided in section 13.02 apply for purposes of this subdivision.~~ Data related to an audit that were obtained from a nongovernmental entity have the classification that the data would have if obtained from the government entity for which the data were created, collected, or maintained by the nongovernmental entity.

(e) The legislative auditor may disseminate data of any classification to:

(1) a government entity, other than a law enforcement agency or prosecuting authority, if the dissemination of the data aids a pending audit; or

(2) a law enforcement agency or prosecuting authority if there is reason to believe that the data are evidence of criminal activity within the agency's or authority's jurisdiction.

Notwithstanding the classification of data as confidential or protected nonpublic, an individual or entity who supplies information for an audit may authorize the legislative auditor to release data that would identify the individual or entity for the purpose of conducting the audit. Data disseminated pursuant to this paragraph are subject to section 13.03, subdivision 4, paragraph (c).

Sec. 13. Minnesota Statutes 2022, section 3.979, is amended by adding a subdivision to read:

Subd. 6. **Definitions.** The definitions of terms provided in section 13.02 apply for purposes of this section.

Sec. 14. Minnesota Statutes 2022, section 4.045, is amended to read:

4.045 CHILDREN'S CABINET.

The Children's Cabinet shall consist of the commissioners of education, human services, employment and economic development, public safety, corrections, management and budget, health, administration, Housing Finance Agency, and transportation, ~~and the director of the Office of Strategic and Long Range Planning~~. The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children's Cabinet are performed.

Sec. 15. Minnesota Statutes 2022, section 10.44, is amended to read:

10.44 HOUSE, SENATE, COURT, ELECTED OFFICE BUDGETS; HOW TREATED.

The budgets of the ~~house of representatives, senate,~~ constitutional officers, district courts, court of appeals, and supreme court must be submitted to and considered by the appropriate committees of the legislature in the same manner as the budgets of executive agencies.

EFFECTIVE DATE. This section is effective and applies to budgets proposed for fiscal years 2026 and thereafter.

Sec. 16. Minnesota Statutes 2022, section 10.45, is amended to read:

10.45 BUDGETS; INFORMATION.

The budgets of the house of representatives, the senate, the Legislative Coordinating Commission, each constitutional officer, the district courts, court of appeals, and supreme court shall be public information and shall be divided into expense categories. The categories shall include, among others, travel and telephone expenses.

EFFECTIVE DATE. This section is effective and applies to budgets adopted for fiscal years 2026 and thereafter.

Sec. 17. Minnesota Statutes 2022, section 15A.0815, subdivision 1, is amended to read:

Subdivision 1. **Salary limits.** ~~The governor or other~~ appropriate appointing authority shall set the salary rates for positions listed in this section ~~within the salary limits listed in subdivisions 2 to 4. The governor's or other appointing authority's action is subject to approval of the Legislative Coordinating Commission and the legislature as provided by subdivision 5 and section 3.855 based upon the salaries prescribed by the Compensation Council established under section 15A.082.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 18. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. ~~Group I salary limits~~ **Agency head salaries.** The salary for a position listed in this subdivision shall ~~not exceed 133 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year be determined by the Compensation Council under section 15A.082.~~ The commissioner of management and budget must publish the ~~limit~~ salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;
Commissioner of corrections;
Commissioner of health;
Commissioner, Minnesota Office of Higher Education;
Commissioner, Minnesota IT Services;
Commissioner, Housing Finance Agency;
Commissioner of human rights;
Commissioner of human services;
Commissioner of labor and industry;
Commissioner of management and budget;
Commissioner of natural resources;
Commissioner, Pollution Control Agency;
Commissioner of public safety;
Commissioner of revenue;
Commissioner of employment and economic development;
Commissioner of transportation; ~~and~~
Commissioner of veterans affairs;:
Executive director of the Gambling Control Board;
Executive director of the Minnesota State Lottery;
Commissioner of Iron Range resources and rehabilitation;
Commissioner, Bureau of Mediation Services;
Ombudsman for mental health and developmental disabilities;
Ombudsperson for corrections;
Chair, Metropolitan Council;
Chair, Metropolitan Airports Commission;
School trust lands director;
Executive director of pari-mutuel racing; and
Commissioner, Public Utilities Commission.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 19. Minnesota Statutes 2022, section 15A.082, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year to ~~assist the legislature in establishing~~ establish the compensation of constitutional officers, justices of the supreme court, judges of the court of appeals and district court, and the heads of state and metropolitan agencies included in section 15A.0815.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 20. Minnesota Statutes 2022, section 15A.082, subdivision 2, is amended to read:

Subd. 2. **Membership.** The Compensation Council consists of 16 members: eight nonjudges appointed by the chief justice of the supreme court, of whom no more than four may belong to the same political party; and one member from each congressional district appointed by the governor, of whom no more than four may belong to the same political party. Appointments must be made after the first Monday in January and before January ~~15~~ 31. The compensation and removal of members appointed by the governor or the chief justice shall be as provided in section 15.059, subdivisions 3 and 4. The Legislative Coordinating Commission shall provide the council with administrative and support services.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 21. Minnesota Statutes 2022, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations.** ~~(a) By April May 1 in each odd-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations must prescribe salaries for constitutional officers, justices of the supreme court, and judges of the court of appeals and district court, and for the agency and metropolitan agency heads identified in section 15A.0815. The recommended prescribed salary for each other office must take effect on the first Monday in January of the next odd-numbered year, with no more than one adjustment, to take effect on January 1 of the year after that. The salary recommendations for judges and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the Compensation Council determines thereafter, unless the legislature by law provides otherwise.~~

~~(b) The council shall also submit to the speaker of the house and the president of the senate recommendations for the salary ranges of the heads of state and metropolitan agencies, to be effective retroactively from January 1 of that year if enacted into law. The recommendations shall include the appropriate group in section 15A.0815 to which each agency head should be assigned and the appropriate limitation on the maximum range of the salaries of the agency heads in each group, expressed as a percentage of the salary of the governor.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 22. Minnesota Statutes 2022, section 15A.082, subdivision 4, is amended to read:

Subd. 4. **Criteria.** In making compensation ~~recommendations~~ determinations, the council shall consider the amount of compensation paid in government service and the private sector to persons with similar qualifications, the amount of compensation needed to attract and retain experienced and competent persons, and the ability of the state to pay the recommended compensation.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 23. **[16A.091] ACCOUNTABILITY AND PERFORMANCE MANAGEMENT.**

(a) The commissioner of management and budget is responsible for the coordination, development, assessment, and communication of information, performance measures, planning, and policy concerning the state's future.

(b) The commissioner must develop a statewide system of economic, social, and environmental performance measures. The commissioner must provide information to assist public and elected officials with understanding the status of these performance measures.

Sec. 24. Minnesota Statutes 2022, section 16A.122, subdivision 2, is amended to read:

Subd. 2. **Transfers from grants prohibited.** Unless otherwise provided by law or section 16B.98, subdivision 14, an agency must not use grant or flow-through funds for salaries or other operating purposes.

Sec. 25. Minnesota Statutes 2022, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 14.46; 14.53; 16B.2975, subdivision 4; 16B.48; 16B.54; 16B.58; 16B.85; 16E.14; 43A.55; and 176.591; ~~and the fund established in section 43A.30; and the account established in section 16A.1286.~~

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

Sec. 26. Minnesota Statutes 2022, section 16A.1286, subdivision 2, is amended to read:

Subd. 2. **Billing procedures.** The commissioner may bill ~~up to \$10,000,000 in~~ each fiscal year for statewide systems services provided to state agencies, ~~judicial branch agencies, the University of Minnesota in the executive, legislative, and judicial branches,~~ the Minnesota State Colleges and Universities, and other entities. Each entity shall be billed based on that entity's usage of the statewide systems. Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. ~~Billing policies and procedures related to statewide systems services must be developed by the commissioner in consultation with the commissioners of management and budget and administration, the University of Minnesota, and the Minnesota State Colleges and Universities.~~ The commissioner shall develop billing policies and procedures.

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

Sec. 27. Minnesota Statutes 2022, section 16A.152, subdivision 4, is amended to read:

Subd. 4. **Reduction.** (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the Legislative Advisory Commission, reduce the amount in the budget reserve account as needed to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the Legislative Advisory Commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

(f) The commissioner is prohibited from reducing an allotment or appropriation made under section 3.1985.

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

Sec. 28. **[16B.373] OFFICE OF ENTERPRISE TRANSLATIONS.**

Subdivision 1. **Office establishment.** (a) The commissioner shall establish an Office of Enterprise Translations. The office must:

(1) provide translation services for written material for executive agencies;

(2) create and maintain language-specific landing webpages in Spanish, Hmong, and Somali and other languages that may be determined by the commissioner, in consultation with the state demographer, with links to translated materials at state agency websites; and

(3) serve as a resource to executive agencies in areas such as best practices and standards for the translation of written materials.

(b) The commissioner shall determine the process and requirements for state agencies to request translations of written materials.

Subd. 2. **Language access service account established.** The language access service account is created in the special revenue fund for reimbursing state agencies for expenses incurred in providing language translation services.

Sec. 29. Minnesota Statutes 2022, section 16B.97, subdivision 2, is amended to read:

Subd. 2. **Grants governance.** The commissioner shall provide leadership and direction for policy related to grants management in Minnesota in order to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that will enhance access to grant opportunities and information and lead to greater program accountability and transparency. The commissioner has the duties and powers stated in this section. ~~An~~ Executive agency agencies shall fully cooperate with the commissioner in the creation, management, and oversight of state grants and must do what the commissioner requires under this section. The commissioner may adopt rules to carry out grants governance, oversight, and management.

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

Sec. 30. Minnesota Statutes 2022, section 16B.97, subdivision 3, is amended to read:

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

(1) review grants management practices and ~~propose~~ establish and enforce policy and procedure improvements ~~to the governor, legislature, executive agencies, and the federal government;~~

(2) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;

(3) review, recommend, and implement alternative strategies for grants management;

(4) collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies; ~~and~~

(5) participate in conferences and other appropriate activities related to grants management issues;

(6) suspend or debar grantees from eligibility to receive state-issued grants for up to three years for reasons specified in Minnesota Rules, part 1230.1150, subpart 2. A grantee may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension or debarment is effective by filing a written request for hearing within 20 days of notification of suspension or debarment;

(7) establish offices for the purpose of carrying out grants governance, oversight, and management; and

(8) require granting agencies to submit grant solicitation documents for review prior to issuance at dollar levels determined by the commissioner.

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

Sec. 31. Minnesota Statutes 2022, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures for particular grant programs. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

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

Sec. 32. Minnesota Statutes 2022, section 16B.98, subdivision 5, is amended to read:

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement ~~is~~ and amendments are not valid and the state is not bound by ~~the grant~~ them unless:

(1) ~~the grant has~~ they have been executed by the head of the agency or a delegate who is party to the grant;

(2) they have been approved by the commissioner;

(3) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner except as provided in subdivision 11; and

(4) ~~(3)~~ (4) the grant agreement includes an effective date that references either section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 33. Minnesota Statutes 2022, section 16B.98, subdivision 6, is amended to read:

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into. The commissioner may require an agency to report to the commissioner at any time on the status of any grant to which the agency is a party.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 34. Minnesota Statutes 2022, section 16B.98, subdivision 8, is amended to read:

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the commissioner, the granting agency, and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 35. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 12. Grantee evaluations. (a) The head of the agency or delegate entering into a grant agreement in excess of \$25,000 must submit a report to the commissioner who must make the report publicly available online.

(b) The report must:

(1) summarize the purpose of the grant;

(2) state the amount provided to the grantee; and

(3) include a written performance evaluation of the work done under the grant. The evaluation must include an appraisal of the grantee's timeliness, quality, and overall performance in meeting the terms and objectives of the grant. Grantees may request copies of evaluations prepared under this subdivision and may respond in writing. Grantee responses must be maintained with the grant file.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 36. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 13. Limitations on actions. No action may be maintained by a grantee against an employee or agency who discloses information about a current or former grantee under subdivision 12, unless the grantee demonstrates by clear and convincing evidence that:

(1) the information was false and defamatory;

(2) the employee or agency knew or should have known the information was false and acted with malicious intent to injure the current or former grantee; and

(3) the information was acted upon in a manner that caused harm to the current or former grantee.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 37. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 14. Administrative costs. Unless amounts are otherwise appropriated for administrative costs, a state agency may retain up to five percent of the amount appropriated to the agency for grants enacted by the legislature and formula grants and up to ten percent for competitively awarded grants. This subdivision applies to appropriations made for new grant programs enacted after the effective date of this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 38. Minnesota Statutes 2022, section 16B.991, is amended to read:

16B.991 TERMINATION OF GRANT.

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement.

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines that further performance under the grant agreement would not serve agency purposes or is not in the best interests of the state.

Sec. 39. Minnesota Statutes 2022, section 16E.14, subdivision 4, is amended to read:

Subd. 4. **Cash flow.** (a) The commissioner of management and budget shall make appropriate transfers to the revolving fund when requested by the chief information officer. The chief information officer may make allotments and encumbrances in anticipation of such transfers. In addition, the chief information officer, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the chief information officer under this section must be deposited in the MNIT services revolving fund.

(b) Each biennium, the commissioner of management and budget is authorized to provide cash flow assistance from the special revenue fund or other statutory general fund as defined in section 16A.671, subdivision 3, paragraph (a), to the Department of Information Technology Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the closing period of the second fiscal year of the same biennium.

Sec. 40. Minnesota Statutes 2022, section 16E.21, subdivision 1, is amended to read:

Subdivision 1. **Account established; appropriation.** The information and telecommunications technology systems and services account is created in the special revenue fund. Receipts credited to the account are appropriated to the Department of Information Technology Services for the purpose of defraying the costs of personnel and technology for activities that create government efficiencies, secure state systems, or address project or product backlogs in accordance with this chapter.

Sec. 41. Minnesota Statutes 2022, section 16E.21, subdivision 2, is amended to read:

Subd. 2. **Charges.** (a) Upon agreement of the participating agency, the Department of Information Technology Services may collect a charge or receive a fund transfer under section 16E.0466 for purchases of information and telecommunications technology systems and services by state agencies and other governmental entities through state contracts for purposes described in subdivision 1. Charges collected under this section must be credited to the information and telecommunications technology systems and services account.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, product, or services, subject to the review of the Legislative Advisory Commission under subdivision 3.

Sec. 42. **[16E.35] COUNTY AND LOCAL CYBERSECURITY GRANTS.**

Subdivision 1. **Cybersecurity grant program established.** The Department of IT Services may make grants to political subdivisions to support addressing cybersecurity risks and cybersecurity threats to information systems owned or operated by, or on behalf of, state, local, or Tribal governments, as provided in section 70612 of Public Law 117-58.

Subd. 2. **Match requirement.** The political subdivision receiving a grant must provide for the remainder of the costs of the project that exceed available state match appropriated funds, or that exceed goals defined in the statewide cybersecurity plan.

Subd. 3. **Criteria.** The department may set criteria for program priorities and standards of review.

Sec. 43. Minnesota Statutes 2022, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a ~~and in the Office of Strategic and Long Range Planning;~~
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;
- (10) officers and enlisted persons in the National Guard;
- (11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;
- (13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) chief executive officers in the Department of Human Services.

Sec. 44. Minnesota Statutes 2022, section 138.912, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including community-supported agriculture shares.

Sec. 45. Minnesota Statutes 2022, section 138.912, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the Minnesota Humanities Center to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer sales, including through a community-supported agriculture model.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP.

Sec. 46. Minnesota Statutes 2022, section 145.951, is amended to read:

145.951 IMPLEMENTATION PLAN; STATEWIDE PROGRAM FOR FAMILIES.

The commissioner of health, in consultation with the commissioners of education; corrections; public safety; and human services, and with the ~~directors~~ director of the ~~Office of Strategic and Long Range Planning~~, the Council on Disability; and the councils and commission under sections 3.922, 3.9221, and 15.0145, may develop an implementation plan for the establishment of a statewide program to assist families in developing the full potential of their children. The program must be designed to strengthen the family, to reduce the risk of abuse to children, and to promote the long-term development of children in their home environments. The program must also be designed to use volunteers to provide support to parents, and to link parents with existing public health, education, and social services as appropriate.

Sec. 47. Minnesota Statutes 2022, section 307.08, is amended to read:

307.08 DAMAGES; ILLEGAL MOLESTATION OF HUMAN REMAINS; BURIALS; CEMETERIES; PENALTY; AUTHENTICATION ASSESSMENT.

Subdivision 1. **Legislative intent; scope.** It is a declaration and statement of legislative intent that all human burials, human remains, and human burial grounds shall be accorded equal treatment and respect for human dignity without reference to their ethnic origins, cultural backgrounds, or religious affiliations. The provisions of this section shall apply to all human burials, human remains, or human burial grounds found on or in all public or private lands or waters in Minnesota. Within the boundaries of Tribal Nation reservations, nothing in this section should be interpreted to conflict with federal law, including the Native American Graves Protection and Repatriation Act (NAGPRA), United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10.

Subd. 2. **Felony; gross misdemeanor.** (a) A person who intentionally, willfully, ~~and~~ or knowingly does any of the following is guilty of a felony:

(1) destroys, mutilates, or injures human burials ~~or~~ human burial grounds, or associated grave goods; or

(2) without the consent of the appropriate authority, disturbs human burial grounds or removes human remains or associated grave goods.

(b) A person who, without the consent of the appropriate authority and the landowner, intentionally, willfully, ~~and~~ or knowingly does any of the following is guilty of a gross misdemeanor:

(1) removes any tombstone, monument, or structure placed in any public or private cemetery or ~~authenticated~~ assessed human burial ground; or

(2) removes any fence, railing, natural stone, or other work erected for protection or ornament, or any tree, shrub, or plant ~~or grave goods and artifacts~~ within the limits of a public or private cemetery or ~~authenticated~~ assessed human burial ground; or

(3) discharges any firearms upon or over the grounds of any public or private cemetery or ~~authenticated~~ assessed burial ground.

(c) A person who intentionally, willfully, or knowingly fails to comply with any other provision of this section is guilty of a misdemeanor.

Subd. 3. **Protective posting.** Upon the agreement of the appropriate authority and the landowner, an authenticated or recorded human burial ground may be posted for protective purposes every 75 feet around its perimeter with signs listing the activities prohibited by subdivision 2 and the penalty for violation of it. Posting is at the discretion of the Indian affairs council in the case of American Indian burials or at the discretion of the state archaeologist in the case of ~~non-Indian~~ non-American Indian burials. This subdivision does not require posting of a burial ground. The size, description, location, and information on the signs used for protective posting must be approved by the appropriate authority and the landowner.

Subd. 3a. **Authentication Cemeteries; records and condition assessments.** ~~The state archaeologist shall authenticate all burial grounds for purposes of this section. The state archaeologist may retain the services of a qualified professional archaeologist, a qualified physical anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist can use to authenticate or identify burial grounds. If probable Indian burial grounds are to be disturbed or probable Indian remains analyzed, the Indian Affairs Council must approve the professional archaeologist, qualified anthropologist, or other appropriate expert. Authentication is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.~~ (a) Cemeteries shall be assessed according to this subdivision.

(b) The state archaeologist shall implement and maintain a system of records identifying the location of known, recorded, or suspected cemeteries. The state archaeologist shall provide access to the records as provided in subdivision 11.

(c) The cemetery condition assessment of non-American Indian cemeteries is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(d) The cemetery condition assessment of American Indian cemeteries is at the discretion of the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority. If the Indian Affairs Council has possession or takes custody of remains they may follow United States Code, title 25, sections 3001 to 3013.

(e) The cemetery condition assessment of cemeteries that include American Indian and non-American Indian remains or include remains whose ancestry cannot be determined shall be assessed at the discretion of the state archaeologist in collaboration with the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(f) The state archaeologist and the Indian Affairs Council shall have 90 days from the date a request is received to begin a cemetery condition assessment or provide notice to the requester whether or not a condition assessment of a cemetery is needed.

(g) The state archaeologist and the Indian Affairs Council may retain the services of a qualified professional archaeologist, a qualified forensic anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist or the Indian Affairs Council can use to assess or identify cemeteries.

Subd. 5. **Cost; use of data.** The cost of ~~authentication~~ condition assessment, recording, surveying, and marking burial grounds and the cost of identification, analysis, rescue, and reburial of human remains on public lands or waters shall be the responsibility of the state or political subdivision controlling the lands or waters. On private lands or waters these costs ~~shall may~~ may be borne by the state, ~~but may be borne by or~~ or the landowner upon mutual agreement with the state. ~~The state archaeologist must make the data collected for this activity available using standards adopted by the Department of Information Technology Services and geospatial technology standards and guidelines published by the Minnesota Geospatial Information Office. Costs associated with this data delivery must be borne by the state.~~

Subd. 7. **Remains found outside of recorded cemeteries.** (a) All unidentified human remains or burials found outside of recorded cemeteries or unplatted graves or burials found within recorded cemeteries and in contexts which indicate antiquity greater than 50 years shall be treated with the utmost respect for all human dignity and dealt with according to the provisions of this section.

(b) If such burials are not American Indian or their ethnic identity cannot be ascertained, as determined by the state archaeologist, they shall be dealt with in accordance with provisions established by the state archaeologist and other appropriate authority.

(c) If such burials are American Indian, as determined by the state archaeologist and Indian Affairs Council, efforts shall be made ~~by the state archaeologist and the Indian Affairs Council to ascertain their tribal identity. If their probable tribal identity can be determined and the remains have been removed from their original context, such remains shall be turned over to contemporary tribal leaders for disposition. If tribal identity cannot be determined, the Indian remains must be dealt with in accordance with provisions established by the state archaeologist and the Indian Affairs Council if they are from public land. If removed Indian remains are from private land they shall be dealt with in accordance with provisions established by the Indian Affairs Council. If it is deemed desirable by the~~

~~state archaeologist or the Indian Affairs Council, removed remains shall be studied in a timely and respectful manner by a qualified professional archaeologist or a qualified physical anthropologist before being delivered to tribal leaders or before being reburied to follow procedures as defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, within reservation boundaries. For burials outside of reservation boundaries, the procedures defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, are at the discretion of the Indian Affairs Council.~~

Subd. 7a. **Landowner responsibilities.** Application by a landowner for permission to develop or disturb nonburial areas within ~~authenticated~~ assessed or recorded burial grounds shall be made to:

(1) the state archaeologist and other appropriate authority in the case of ~~non-Indian~~ non-American Indian burials; and ~~to~~

(2) the Indian Affairs Council and other appropriate authority in the case of American Indian burials.

(b) Landowners with ~~authenticated~~ assessed or suspected human burial grounds on their property are obligated to inform prospective buyers of the burial ground.

Subd. 8. **Burial ground relocation.** No ~~non-Indian~~ non-American Indian burial ground may be relocated without the consent of the appropriate authority. No American Indian burial ground may be relocated unless the request to relocate is approved by the Indian Affairs Council. When a burial ground is located on public lands or waters, any burial relocations must be duly licensed under section 138.36 and the cost of removal is the responsibility of and shall be paid by the state or political subdivision controlling the lands or waters. If burial grounds are ~~authenticated~~ assessed on private lands, efforts may be made by the state to purchase and protect them instead of removing them to another location.

Subd. 9. **Interagency cooperation.** (a) The state archaeologist and the Indian Affairs Council shall enter into a memorandum of understanding to coordinate their responsibilities under this section.

(b) The Department of Natural Resources, the Department of Transportation, and all other state agencies and local governmental units whose activities may be affected, shall cooperate with the state archaeologist and the Indian Affairs Council to carry out the provisions of this section.

Subd. 10. **Construction and development plan review.** When human burials are known or suspected to exist, on public lands or waters, the state or political subdivision controlling the lands or waters or, in the case of private lands, the landowner or developer, shall submit construction and development plans to the state archaeologist for review ~~prior to the time bids are advertised~~ before plans are finalized and prior to any disturbance within the burial area. If the known or suspected burials are thought to be American Indian, plans shall also be submitted to the Indian Affairs Council. The state archaeologist and the Indian Affairs Council shall review the plans within ~~30~~ 45 days of receipt and make recommendations for the preservation in place or removal of the human burials or remains, which may be endangered by construction or development activities.

Subd. 11. **Burial sites data.** (a) Burial sites ~~locational and related data maintained by~~ data under the authority of the Office of the State Archaeologist and accessible through the office's "Unplatted Burial Sites and Earthworks in Minnesota" website or Indian Affairs Council are security information for purposes of section 13.37. Persons who gain access to ~~the data maintained on the site~~ this data are subject to liability under section 13.08 and the penalty established by section 13.09 if they improperly use or further disseminate the data. Use of this information must be approved by the appropriate authority.

Subd. 12. **Right of entry.** The state archaeologist or designee may enter on property for the purpose of ~~authenticating~~ assessing burial sites. The Indian Affairs Council or a designated representative of the Indian Affairs Council may enter on property for the purpose of assessing or identifying American Indian cemeteries. Only after obtaining permission from the property owner or lessee, descendants of persons buried in burial grounds covered by this section may enter the burial grounds for the purpose of conducting religious or commemorative ceremonies. This right of entry must not unreasonably burden property owners or unnecessarily restrict their use of the property.

Subd. 13. **Definitions.** As used in this section, the following terms have the meanings given.

(a) "Abandoned cemetery" means a cemetery where the cemetery association has disbanded or the cemetery is neglected and contains marked graves older than 50 years.

(b) "Appropriate authority" means:

(1) the trustees when the trustees have been legally defined to administer burial grounds;

(2) the Indian Affairs Council in the case of American Indian burial grounds lacking trustees;

(3) the county board in the case of abandoned cemeteries under section 306.243; and

(4) the state archaeologist in the case of ~~non-Indian~~ non-American Indian burial grounds lacking trustees or not officially defined as abandoned.

(c) "Artifacts" means natural or artificial articles, objects, implements, or other items of archaeological interest.

(d) ~~"Authenticate"~~ "Assess" means to establish the presence of or high potential of human burials or human skeletal remains being located in a discrete area, ~~delimit the boundaries of human burial grounds or graves,~~ and attempt to determine the ethnic, cultural, or religious affiliation of individuals interred.

(e) "Burial" means the organic remnants of the human body that were intentionally interred as part of a mortuary process.

(f) "Burial ground" means a discrete location that is known to contain or has high potential to contain human remains based on physical evidence, historical records, or reliable informant accounts.

(g) "Cemetery" means a discrete location that is known to contain or intended to be used for the interment of human remains.

(h) "Disturb" means any activity that ~~significantly~~ harms the physical integrity or setting of a human burial or human burial ground.

(i) "Grave goods" means objects or artifacts directly associated with human burials or human burial grounds that were placed as part of a mortuary ritual at the time of interment.

(j) "Human remains" means the ~~calcified portion of the human~~ body of a deceased person in whole or in part, regardless of the state of decomposition, ~~or cremated remains deposited in a container or discrete feature.~~

(k) "Identification" means to analyze organic materials to attempt to determine if they represent human remains and to attempt to establish the ethnic, cultural, or religious affiliations of such remains.

(l) "Marked" means a burial that has a recognizable tombstone or obvious grave marker in place or a legible sign identifying an area as a burial ground or cemetery.

(m) "Qualified physical anthropologist" means a specialist in identifying human remains who holds an advanced degree in anthropology or a closely related field.

(n) "Qualified professional archaeologist" means an archaeologist who meets the United States Secretary of the Interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A, or subsequent revisions.

(o) "Recorded cemetery" means a cemetery that has a surveyed plat filed in a county recorder's office.

(p) "State" or "the state" means the state of Minnesota or an agency or official of the state acting in an official capacity.

(q) "Trustees" means the recognized representatives of the original incorporators, board of directors, or cemetery association.

(r) "Person" means a natural person or a business and includes both if the natural person is engaged in a business.

(s) "Business" means a contractor, subcontractor, supplier, consultant, or provider of technical, administrative, or physical services organized as a sole proprietorship, partnership, association, corporation, or other entity formed for the purpose of doing business for profit.

Sec. 48. Minnesota Statutes 2022, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. **Director.** A State Lottery is established under the supervision and control of a director. The director of the State Lottery shall be appointed by the governor with the advice and consent of the senate. The director serves in the unclassified service at the pleasure of the governor. The annual salary rate authorized for the director is ~~equal to 95 percent of the salary rate prescribed for the governor~~ established through the process described under section 15A.0815.

EFFECTIVE DATE. This section is effective the day following final enactment. Any recommendations made by the Compensation Council in 2023 determine salaries for fiscal years 2024 and 2025.

Sec. 49. Minnesota Statutes 2022, section 381.12, subdivision 2, is amended to read:

Subd. 2. **Expense, tax levy.** The county board of any county may levy a tax upon all the taxable property in the county for the purpose of defraying the expense incurred, or to be incurred, less any amount received from the public system monument grant program under section 381.125, for:

- (1) the preservation and restoration of monuments under this section;
- (2) the preservation or establishment of control monuments for mapping activities;
- (3) the modernization of county land records through the use of parcel-based land management systems; or
- (4) the establishment of geographic (GIS), land (LIS), management (MIS) information systems.

Sec. 50. **[381.125] PUBLIC LAND SURVEY SYSTEM MONUMENT GRANT PROGRAM.**

Subdivision 1. **Grant program.** The chief geospatial information officer, through the Geospatial Advisory Council established under section 16E.30, subdivision 8, shall work with the stakeholders licensed as land surveyors under section 326.02, to develop a process for accepting applications from counties for funding for the perpetuation of monuments established by the United States in the public lands survey to mark public land survey corners, as provided in section 381.12, subdivision 2, clause (1). Grants may also be used to update records and data regarding monuments. The chief geospatial information officer must establish criteria for prioritizing applicants when resources available for grants are not sufficient to award grants to all applicants. The criteria must favor providing grants to counties that demonstrate financial need for assistance.

Subd. 2. **Report.** By October 1, in each odd-numbered year, the chief geospatial information officer must submit a report to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over state government and local government. The report must include the following:

(1) a summary of the chief geospatial information officer activities regarding administration of this grant program for the previous fiscal year, including the amount of money requested and disbursed by county;

(2) an assessment of the progress toward completion of necessary monument restoration and certification by county; and

(3) a forecast of the amount needed to complete monument recertification in all counties.

Subd. 3. **Nonstate match.** No nonstate match is required for grants made under this program.

Sec. 51. Minnesota Statutes 2022, section 462A.22, subdivision 10, is amended to read:

Subd. 10. **Audits.** All of the books and records of the agency shall be subject to audit by the legislative auditor in the manner prescribed for other agencies of state government. The agency is authorized also to employ and to contract in its resolutions and indentures for the employment of public accountants for the audit of books and records pertaining to any fund or funds. ~~The legislative auditor shall review contracts with public accountants as provided in section 3.972.~~

Sec. 52. **STATE EMBLEMS REDESIGN COMMISSION.**

Subdivision 1. **Establishment.** The State Emblems Redesign Commission is established. The purpose of the commission is to develop and adopt a new design for the official state flag and the official state seal no later than January 1, 2024.

Subd. 2. **Membership; meetings.** (a) The commission consists of the following members:

(1) three members of the public, appointed by the governor;

(2) one member appointed by the Council for Minnesotans of African Heritage;

(3) one member appointed by the Minnesota Council on Latino Affairs;

(4) one member appointed by the Council on Asian-Pacific Minnesotans;

(5) one member representing the Dakota community and one member representing the Ojibwe community, appointed by the executive board of the Indian Affairs Council;

(6) the secretary of state or the secretary's designee;

(7) the executive director of the Minnesota Historical Society or the director's designee;

(8) the chair of the Capitol Area Architectural and Planning Board or the chair's designee;

(9) the chair of the Minnesota Arts Board or the chair's designee; and

(10) the executive director of Explore Minnesota Tourism or the director's designee.

(b) The following serve as ex officio, nonvoting members of the commission: (1) two members of the house of representatives, one each appointed by the speaker of the house and the minority leader of the house; and (2) two members of the senate, one representing the majority caucus appointed by the senate majority leader and one representing the minority caucus appointed by the senate minority leader.

(c) Appointments to the commission must be made no later than August 1, 2023. The voting members of the commission shall elect a chair and vice-chair. An appointee designated by the governor shall convene the commission's first meeting. Decisions of the commission must be made by majority vote. The Minnesota Historical Society must provide office space and administrative support to the commission.

Subd. 3. **Meetings.** Meetings of the commission are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties; form and style of recommended state emblems.** The commission shall develop and adopt a new design for the official state seal and a new design for the official state flag. The designs must accurately and respectfully reflect Minnesota's shared history, resources, and diverse cultural communities. Symbols, emblems, or likenesses that represent only a single community or person, regardless of whether real or stylized, may not be included in a design. The commission may solicit and secure the voluntary service and aid of vexillologists and other persons who have either technical or artistic skill in flag construction and design, or the design of official seals, to assist in the work. The commission must also solicit public feedback and suggestions to inform its work.

Subd. 5. **Report.** The commission shall certify its adopted designs in a report to the legislature and governor no later than January 1, 2024. The commission's report must describe the symbols and other meanings incorporated in the design. The commission expires upon submission of its report.

Sec. 53. **LEGISLATIVE TASK FORCE ON AGING.**

Subdivision 1. **Establishment.** A legislative task force is established to:

(1) review and develop state resources for an aging demographic;

(2) identify and prioritize necessary support for an aging population through statewide and local endeavors for people to remain in their communities; and

(3) ensure all aging-related state policies are inclusive of race, gender, ethnicity, culture, sexual orientation, abilities, and other characteristics that reflect the full population of the state.

Subd. 2. **Duties.** The task force shall review:

(1) all current aging-related governmental functions, programs, and services across all state departments;

(2) the current plans to improve health and support services workforce demographics;

(3) current public and private strategies to:

(i) support family caregivers for older adults;

(ii) define and support quality of care and life improvements in long-term care and home care; and

(iii) sustain neighborhoods and communities for an aging population;

(4) the necessity for planning and investment in aging in Minnesota to address:

(i) the longevity economy and the impact it has on the workforce, advancing technology, and innovations;

(ii) housing options, land use, transportation, social services, and the health systems;

(iii) availability of safe, affordable rental housing for aging tenants; and

(iv) coordination between health services and housing supports;

(5) coordination across all state agencies, Tribal Nations, cities, and counties to encourage resolution of aging related concerns; and

(6) from this review, determine the governmental entity to plan, lead, and implement these recommended policies and funding for aging Minnesotans across the state.

Subd. 3. **Membership.** (a) The task force shall include the following members:

(1) two members from the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members from the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the chair of the Minnesota Board on Aging, or a board member as designee;

(4) the chair of the Minnesota Council on Disability, or an agency employee as designee;

(5) the chair of the Minnesota Indian Affairs Council, or a council member, except the legislative council member, as designee; and

(6) the director of the University of Minnesota Center for Healthy Aging and Innovation, or a University of Minnesota employee as designee.

(b) The speaker of the house and the senate majority leader shall appoint a chair and a vice-chair for the membership of the task force. The chair and the vice-chair shall rotate after each meeting.

Subd. 4. **Meetings.** (a) The task force shall meet at least once per month. The meetings shall take place in person in the Capitol complex, provided that the chair may direct that a meeting be conducted electronically if doing so would facilitate public testimony or would protect the health or safety of members of the task force.

(b) The task force shall invite input from the public, the leadership of advocacy groups, and provider organizations.

(c) The chair designated by the speaker of the house shall convene the first meeting of the task force no later than August 1, 2023.

Subd. 5. **Expenses; per diem.** Members serving on the task force shall receive the following per diem:

(1) the Board on Aging task force member who is a volunteer citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(2) the Council on Disability task force member shall not receive a per diem;

(3) the Indian Affairs Council task force member who is a citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(4) the University of Minnesota task force member shall not receive a per diem; and

(5) legislative members of the task force shall not receive a per diem.

Subd. 6. **Report.** The task force shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and state government by January 15, 2025.

Subd. 7. **Expiration.** The task force expires January 31, 2025.

EFFECTIVE DATE. This section is effective July 1, 2023, or when the legislative leaders required to make appointments to the task force name appointees beginning the day after final enactment.

Sec. 54. **INFRASTRUCTURE RESILIENCE ADVISORY TASK FORCE.**

Subdivision 1. **Definition.** For purposes of this section, "task force" means the Infrastructure Resilience Advisory Task Force established in this section.

Subd. 2. **Establishment.** The Infrastructure Resilience Advisory Task Force is established to evaluate issues related to coordination, sustainability, resiliency, and federal funding on state, local, and private infrastructure in the state.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) two members of the senate, with one appointed by the senate majority leader and one appointed by the senate minority leader;

(2) two members of the house of representatives, with one appointed by the speaker of the house and one appointed by the house minority leader;

(3) the commissioner of administration;

(4) the commissioner of agriculture;

(5) the commissioner of commerce;

(6) the commissioner of employment and economic development;

(7) the commissioner of health;

(8) the commissioner of management and budget;

(9) the commissioner of natural resources;

(10) the commissioner of the Pollution Control Agency;

(11) the commissioner of transportation;

(12) two members appointed by the governor;

(13) one representative from a federally recognized Tribal government, appointed by the governor;

(14) one member appointed by the Association of Minnesota Counties;

(15) one member appointed by the League of Minnesota Cities;

(16) one member appointed by the Minnesota Association of Townships;

(17) one member appointed by the Minnesota chapter of the American Public Works Association;

(18) one member appointed by the Associated General Contractors of Minnesota;

(19) one member appointed by each public utility that owns a nuclear-powered electric generating plant in this state; and

(20) one member appointed by the Minnesota Municipal Utilities Association.

(b) At its first meeting, the task force must elect a chair or cochairs by a majority vote of those members present and may elect a vice-chair as necessary.

Subd. 4. **Appointments.** (a) The appointing authorities under subdivision 3 must make the appointments by July 31, 2023.

(b) A commissioner under subdivision 3 may appoint a designee who is an employee of the respective agency.

(c) An appointing authority under subdivision 3, paragraph (a), clauses (12) to (20), may only appoint an individual who has expertise and experience in asset management, financial management and procurement, or state and local infrastructure, whether from the public or private sector. Expertise and experience may include but is not limited to the following areas:

(1) asset management planning, design, construction, management, and operations and maintenance;

(2) infrastructure for agriculture, communications, drinking water, energy, health, natural resources, public utilities, stormwater, transportation, or wastewater; and

(3) asset management planning across jurisdictions and infrastructure sectors.

Subd. 5. **Duties.** At a minimum, the task force must:

(1) develop objectives and strategies to:

(i) provide for effective and efficient management of state, local, and private infrastructure;

(ii) enhance sustainability and resiliency of infrastructure throughout the state;

(iii) respond to and mitigate the effects of adverse weather events across the state, including natural disasters, droughts, and floods; and

(iv) provide for equitable treatment in areas of persistent poverty and historically disadvantaged communities;

(2) identify approaches to enhance infrastructure coordination across jurisdictions, agencies, state and local government, and public and private sectors, including in planning, design, engineering, construction, maintenance, and operations;

(3) identify methods to maximize federal formula and discretionary funds provided to recipients in the state for infrastructure purposes;

(4) evaluate options for organizational design of state agencies to meet the purposes under clauses (1) to (3), including consideration of:

(i) options for establishment of a board, council, office, or other agency; and

(ii) models in other states; and

(5) develop findings and recommendations related to the duties specified in this subdivision.

Subd. 6. **Meetings.** (a) The commissioner of transportation must convene the first meeting of the task force no later than October 1, 2023.

(b) The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under subdivision 5.

(c) The task force is subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 7. **Administration.** (a) The Legislative Coordinating Commission must provide administrative support to the task force and must assist in creation of the report under subdivision 8.

(b) Upon request of the task force, a commissioner under subdivision 3 must provide information and technical support.

(c) Members of the task force serve without compensation.

Subd. 8. **Report required.** By February 1, 2024, the task force must submit a report to the governor and the legislative committees with jurisdiction over climate, economic development, energy, infrastructure, natural resources, and transportation. At a minimum, the report must:

(1) summarize the activities of the task force;

(2) provide findings and recommendations adopted by the task force; and

(3) include any draft legislation to implement the recommendations.

Subd. 9. **Expiration.** The task force expires June 30, 2024.

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

Sec. 55. **GRANTS ADMINISTRATION OVERSIGHT; FEASIBILITY STUDY.**

The commissioner of administration must assess the viability of implementing a single grants management system for executive agencies. If the results of the study determine an enterprise system is feasible, the study must further include:

- (1) an analysis of available technology options;
- (2) recommended changes to the state's organizational model, operational controls, and processes;
- (3) staffing and other resource needs;
- (4) high level system requirements;
- (5) estimated costs; and
- (6) an implementation road map.

Sec. 56. **FORD BUILDING SITE REDEVELOPMENT; MIXED-USE DEVELOPMENT REQUIRED.**

Notwithstanding any law to the contrary, the commissioner of administration may not prepare or approve building construction plans for redevelopment of the Ford Building or the Ford Building property site unless the plans are for mixed-use development and identify ground-level space for locally owned businesses.

Sec. 57. **CAPITOL MALL DESIGN FRAMEWORK.**

(a) The Capitol Area Architectural and Planning Board must update the Capitol Mall Design Framework. The updated design framework must include:

(1) plans to integrate green space campus-wide, including but not limited to the addition of green space on the following sites at the approximate sizes indicated:

(i) the southwest corner of Rice Street and University Avenue, with a minimum size of 20,700 square feet;

(ii) the northeast corner of Rice Street and University Avenue, with a minimum size of 32,000 square feet; and

(iii) the north side of the State Capitol building adjacent to University Avenue;

(2) plans for visual markers and welcome information for the Capitol campus at one or more corners of Rice Street and University Avenue, anchoring a pathway to the State Capitol building and Capitol Mall that features interpretive markers honoring the importance and stature of the Capitol campus as both a historic site and as a modern, active public gathering space for all Minnesotans; and

(3) plans to plant trees throughout the Capitol campus, prioritizing the creation of a mature tree canopy to provide an area of shade for users of the Capitol Mall between or adjacent to the State Capitol building and Martin Luther King, Jr. Boulevard.

(b) The board must contract with one or more professional design consultants with expertise on horticulture, landscape architecture, civic space design, infrastructure assessment, and operations and maintenance planning to develop the framework updates. The board must additionally consult with the commissioners of administration and public safety and the senate majority leader and the speaker of the house or their designees before any proposed framework update is approved. The board must approve the updated design framework no later than March 1, 2024.

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

Sec. 58. **DEADLINE FOR CERTIFICATION OF APPROPRIATION AMOUNTS FOR LEGISLATURE FOR FISCAL YEARS 2026 AND 2027.**

Notwithstanding the effective date of Minnesota Statutes, section 3.1985, the house of representatives, senate, and Legislative Coordinating Commission must each certify to the commissioner of management and budget the anticipated amount to be appropriated for fiscal years 2026 and 2027 no later than October 15, 2024, and

January 15, 2025, and must certify the actual amount to be appropriated for fiscal years 2026 and 2027 no later than June 30, 2025.

Sec. 59. **OFFICE OF SMALL AGENCIES; STUDY.**

Subdivision 1. **Study; requirements.** The commissioner of administration must review the unique issues faced by small agencies other than departments of the state as defined in section 15.01. These include boards, commissions, councils, task forces, and authorities. The study will assess whether the current support model provides adequate support for the agencies as well as their volunteer board members. The study will also examine how other states support their small agencies and provide recommendations on how to most effectively support these small agencies in their delivery of important functions of government.

Subd. 2. **Report.** By February 1, 2024, the commissioner of administration must submit the findings and recommendations of the study to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government.

Sec. 60. **REPEALER.**

Subdivision 1. **State emblems redesign.** Minnesota Statutes 2022, sections 1.135, subdivisions 3 and 5; and 1.141, subdivisions 3, 4, and 6, are repealed, effective May 11, 2024.

Subd. 2. **Evergreen firehall polling place.** Minnesota Statutes 2022, section 383C.806, is repealed.

Subd. 3. **Compensation council.** Minnesota Statutes 2022, section 15A.0815, subdivisions 3, 4, and 5, are repealed effective the day following final enactment.

Subd. 4. **Parking garage debt service waiver.** Laws 2014, chapter 287, section 25, as amended by Laws 2015, chapter 77, article 2, section 78, is repealed.

Subd. 5. **Strategic and long-range planning.** Minnesota Statutes 2022, sections 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; and 124D.23, subdivision 9, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for the legislature, certain constitutional offices, and certain boards, offices, agencies, councils, departments, commissions, societies, centers, Minnesota State Retirement System, retirement plans, retirement associations, retirement fund; making appropriation reductions and cancellations; making deficiency appropriations; providing for revenue recovery; providing a statutory appropriation of funds to the legislature for sums sufficient to operate the house of representatives, senate, and Legislative Coordinating Commission; changing provisions for the legislative audit commission; making budget provisions; requiring Compensation Council to prescribe salaries for constitutional officers; requiring accountability and performance management measures; establishing the Office of Enterprise Translation; providing for grant administration and grant agreements; making county and local cybersecurity grants; changing human burial provisions; establishing the public land survey system monument grant program, the legislative task force on aging, the State Emblems Redesign Commission, and the infrastructure resilience advisory task force; requiring mixed-use Ford Building Site Redevelopment; providing for the Capitol Mall Design Framework; requiring the legislature to certify appropriation amounts for fiscal years 2026 and 2027; requiring a study of issues facing small agencies; making technical changes; requiring reports; amending Minnesota Statutes 2022, sections 1.135, subdivisions 2, 4, 6, by adding a subdivision; 1.141, subdivision 1; 3.099, subdivision 3; 3.97, subdivision 2; 3.972, subdivision 3; 3.978, subdivision 2; 3.979, subdivisions 2, 3, by adding a subdivision; 4.045; 10.44; 10.45; 15A.0815, subdivisions 1, 2; 15A.082, subdivisions 1, 2, 3, 4; 16A.122, subdivision 2; 16A.126, subdivision 1; 16A.1286, subdivision 2;

16A.152, subdivision 4; 16B.97, subdivisions 2, 3, 4; 16B.98, subdivisions 5, 6, 8, by adding subdivisions; 16B.991; 16E.14, subdivision 4; 16E.21, subdivisions 1, 2; 43A.08, subdivision 1; 138.912, subdivisions 1, 2; 145.951; 307.08; 349A.02, subdivision 1; 381.12, subdivision 2; 462A.22, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 3; 16A; 16B; 16E; 381; repealing Minnesota Statutes 2022, sections 1.135, subdivisions 3, 5; 1.141, subdivisions 3, 4, 6; 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; 15A.0815, subdivisions 3, 4, 5; 124D.23, subdivision 9; 383C.806; Laws 2014, chapter 287, section 25, as amended."

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. 1900, A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for the renewal of the environment and natural resources trust fund; amending Minnesota Statutes 2022, section 349A.08, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CONSTITUTIONAL AMENDMENT

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 14, will read:

Sec. 14. A permanent environment and natural resources trust fund is established in the state treasury. ~~Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law.~~ The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The assets of the fund shall not be used to pay the principal or interest of any bonds. The assets of the fund shall not be used to pay for any costs related to the construction, repair, improvement, or operation of any facility or system that processes wastewater, but may be used to pay for research related to wastewater. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to ~~5-1/2~~ seven percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than ~~40~~ 50 percent of the net proceeds from any state-operated lottery must be credited to the fund ~~until the year 2025~~ through December 31, 2050.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2024 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to protect drinking water sources and the water quality of lakes, rivers, and streams; conserve wildlife habitat and natural areas; improve air quality; and expand access to parks and trails by extending the transfer of proceeds from the state-operated lottery to the environment and natural resources trust fund, to increase the portion of lottery proceeds transferred to the fund from the lottery from 40 to 50 percent, and to dedicate the proceeds for these purposes?"

Yes
No "

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Environment and Natural Resources Trust Fund Renewal."

ARTICLE 2 STATUTORY CHANGES

Section 1. [116P.011] CHAPTER DOES NOT APPLY TO CERTAIN APPROPRIATIONS.

This chapter does not apply to appropriations from the environment and natural resources trust fund under section 116X.03 or to projects funded with those appropriations.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election, this section is effective January 1, 2025.

Sec. 2. [116X.01] DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Advisory council.** "Advisory council" means the council created under section 116X.05.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of natural resources.

Subd. 4. **Grant program.** "Grant program" means the program established under section 116X.03.

EFFECTIVE DATE. This section is effective the day after the day on which the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election.

Sec. 3. [116X.03] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANT PROGRAM.

Subdivision 1. **Establishment.** The commissioner must establish the environment and natural resources trust fund community grant program for the benefit of current residents and future generations. The commissioner must award grants under the program for purposes under Minnesota Constitution, article XI, section 14, but have not traditionally been funded from that source.

Subd. 2. **Priority.** In awarding grants under this section, the commissioner must give priority to awarding grants that will fund projects that will:

(1) be undertaken in census tracts that are overburdened or underserved, including communities disproportionately affected by agriculture loss, building loss, wildfire risk, low incomes, high energy costs, rates of asthma, rates of diabetes, rates of heart disease, low life expectancy, high housing costs, lack of green space, lack of indoor plumbing, presence of lead paint, proximity to hazardous waste and related facilities, particulate matter exposure, linguistic isolation, or unemployment; and

(2) provide multiple public benefits.

Subd. 3. **Appropriation.** (a) Each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, 1.5 percent of the market value of the environment and natural resources trust fund on June 30 one year before the start of the biennium is appropriated to the commissioner of natural resources to provide grants under the grant program.

(b) Money appropriated from the trust fund under this subdivision must supplement the traditional sources of funding environment and natural resources activities and may not be used as a substitute.

(c) Any appropriated funds not encumbered before the appropriation expires must be credited to the principal of the trust fund.

Subd. 4. **Administrative expenses.** (a) Up to five percent of the money appropriated to the commissioner under subdivision 3 may be used by the commissioner for administering and monitoring grants under this section.

(b) A recipient of a grant awarded under this section may not use more than five percent of the grant for administrative expenses.

Subd. 5. **Improper expenditure of funds.** The commissioner may require a recipient of a grant under this section to return all money awarded to the recipient if the recipient does not use the money to complete the project in accordance with the applicable agreement.

Subd. 6. **Reporting.** By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources on the administration of this section during the previous fiscal year, including administrative expenses and the grants awarded.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election, this section is effective January 1, 2025.

Sec. 4. **[116X.05] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANT ADVISORY COUNCIL; REPORTING.**

Subdivision 1. **Establishment.** The commissioner of natural resources must establish an Environment and Natural Resources Trust Fund Community Grant Advisory Council.

Subd. 2. **Membership; terms.** (a) The commissioner, in consultation with the commissioners of health and the Pollution Control Agency, must appoint 11 residents of Minnesota to the advisory council as follows:

(1) three members who reside in and represent various genders, ethnicities, ages, and other demographics from rural communities in Minnesota;

(2) three members who reside in and represent various genders, ethnicities, ages, and other demographics from urban or suburban communities in Minnesota;

(3) two members who are members of the Ojibwe Tribe;

(4) two members who are members of the Dakota Tribe; and

(5) one member who identifies as Black or African American, Hispanic or Latino, Asian, or Pacific Islander or as a member of a community of color.

(b) In addition to the members appointed under paragraph (a), the commissioner, in consultation with the commissioners of health and the Pollution Control Agency, may appoint up to eight additional Minnesota residents to the advisory council when, in the commissioner's discretion, it is necessary to ensure that the advisory council is sufficiently representative of various Minnesota communities.

(c) The membership appointed under paragraphs (a) and (b) must include persons who:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources, including expertise in understanding the cultural context in which these activities are undertaken from the perspective of Tribal communities;

(2) have strong knowledge of environment and natural resource issues around the state, including those that are of particular importance to Tribal communities; and

(3) have demonstrated the ability to work in a collaborative environment.

(d) Members serve staggered three-year terms, beginning in January of the first year and continuing through the end of December of the final year. Members continue to serve until their replacement is named. Initial appointees may be appointed to terms of less than three years to establish a structure of staggered terms.

(e) A member appointed under this subdivision may not be a registered lobbyist.

Subd. 3. **Duties.** (a) The advisory council must:

(1) advise the commissioner on developing forms and applications and reporting for grants awarded under the grant program;

(2) review proposed grant program policies and budgets for the upcoming year;

(3) propose changes to the grant program, as needed;

(4) review other relevant information;

(5) make recommendations to the legislature and the commissioner for improving management of the grant program; and

(6) review and advise on recipient eligibility.

(b) The commissioner must provide the council with the information required to perform its duties under this subdivision.

Subd. 4. **Per diem.** Members of the council are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3.

EFFECTIVE DATE. This section is effective the day after the day on which the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election.

Sec. 5. Minnesota Statutes 2022, section 349A.08, subdivision 5, is amended to read:

Subd. 5. **Payment; unclaimed prizes.** A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded or the last day sales were authorized for a game where a prize was determined in a manner other than by means of a drawing. If a valid claim is not made for a prize payable directly by the lottery by the end of this period, the prize money is considered unclaimed and the winner of

the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 349A.12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section. The director must transfer all unclaimed prize money at the end of each fiscal year from the lottery cash flow account to the ~~general~~ environment and natural resources trust fund.

Sec. 6. Minnesota Statutes 2022, section 349A.10, subdivision 5, is amended to read:

Subd. 5. **Deposit of net proceeds.** Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, ~~40~~ 50 percent must be credited to the Minnesota environment and natural resources trust fund and the remainder must be credited to the general fund.

EFFECTIVE DATE. This section is effective the day after the day on which the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election.

Sec. 7. **COUNCIL ORGANIZATION; REPORT.**

By January 15, 2026, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources on the organizational structure and membership of the Environment and Natural Resources Trust Fund Community Grant Advisory Council required under Minnesota Statutes, section 116X.05.

EFFECTIVE DATE. This section is effective the day after the day on which the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election.

Sec. 8. **INITIAL REPORTING DATES.**

Notwithstanding Minnesota Statutes, section 116X.03, subdivision 6, the commissioner of natural resources is not required to submit the report required under that section before February 1, 2027.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election, this section is effective January 1, 2025."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring a report; appropriating money;"

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.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 3, H. F. No. 1900 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 2278, A bill for an act relating to state government; appropriating money to the Board of Animal Health.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS.**

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

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

Sec. 2. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. **Total Appropriation**

\$90,969,000

\$73,029,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>90,570,000</u>	<u>72,630,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

Subd. 2. **Protection Services**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>29,666,000</u>	<u>17,610,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

(a) \$399,000 the first year and \$399,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(b) \$250,000 the first year and \$250,000 the second year are for the soil health financial assistance program. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. This is a onetime appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027.

(c) \$2,500,000 the first year is for transfer to the pollinator research account established under Minnesota Statutes, section 18B.051.

(d) \$400,000 the first year and \$400,000 the second year are for transfer to the noxious weed and invasive plant species assistance account established under Minnesota Statutes, section 18.89, to award grants to local units of government and Tribal Nations under Minnesota Statutes, section 18.90.

(e) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2023. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(f) \$155,000 the first year and \$155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$40,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(g) \$5,000,000 the first year is for transfer to the grain indemnity account established under Minnesota Statutes, section 223.24.

(h) \$825,000 the first year and \$825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(i) \$75,000 the first year and \$75,000 the second year are to support a meat processing liaison position to assist new or existing meat and poultry processing operations in getting started, expanding, growing, or transitioning into new business models.

(j) \$500,000 the first year and \$500,000 the second year are for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stages of commercial development. For the purposes of this paragraph, "continuous living cover crops and cropping systems" refers to agroforestry, perennial biomass, perennial forage, perennial grains, and winter annual cereal grains and oilseeds that have market value as harvested or grazed commodities. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. This is a onetime appropriation.

(k) \$1,126,000 the first year and \$562,000 the second year are to identify and regulate pesticides containing perfluoroalkyl or polyfluoroalkyl substances.

(l) \$100,000 the first year is to regulate systemic pesticide-treated seed.

(m) \$65,000 the first year is for transfer to the commissioner of natural resources for a report on feral pigs and mink.

Subd. 3. Agricultural Marketing and Development

4,365,000

4,365,000

(a) \$150,000 the first year and \$150,000 the second year are to expand international trade opportunities and markets for Minnesota agricultural products. The base for this appropriation is \$75,000 in fiscal year 2026 and \$75,000 in fiscal year 2027.

(b) \$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion established under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2025, for Minnesota grown grants in this paragraph are available until June 30, 2027.

(c) \$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement programs including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(d) \$200,000 the first year and \$200,000 the second year are to award cooperative grants under Minnesota Statutes, section 17.1016. The commissioner may use up to six percent of the appropriation each year to administer the grant program.

(e) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

34,982,000

33,982,000

(a) \$11,740,000 the first year and \$10,740,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 the first year and up to \$1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases;

(3) \$2,250,000 the first year and \$2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) \$350,000 the first year and \$350,000 the second year are for potato breeding;

(6) \$690,000 the first year and \$690,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is \$630,000 in fiscal year 2026 and thereafter;

(7) \$1,000,000 the first year is to purchase and maintain equipment and physical infrastructure to support breeding, agronomic research, and food science activities of the Forever Green Initiative. The allocation in this clause is onetime; and

(8) \$500,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime.

(b) The base for the agriculture research, education, extension, and technology transfer program is \$10,180,000 in fiscal year 2026 and \$10,180,000 in fiscal year 2027.

(c) \$23,242,000 the first year and \$23,242,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$6,750,000 the first year and \$6,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Of the amount allocated each year, \$1,000,000 is to pay prior claims that were not fully paid. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025, and the second year appropriation is available until June 30, 2026. If this appropriation

exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is \$5,750,000 in fiscal year 2026 and thereafter and does not include funding to pay prior claims that were not fully paid;

(3) \$3,000,000 the first year and \$3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$100,000 the first year and \$100,000 the second year are for grants to facilitate the start-up, modernization, or expansion of copacking facilities, commercial kitchens, and other key supply chain infrastructure, such as shared cold-chain capacity. Money appropriated in this clause may also be used to assist value-added processors with food safety and environmental sustainability guideline planning and third-party certification services;

(5) \$1,250,000 the first year and \$1,250,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. The base under this clause is \$250,000 in fiscal year 2026 and thereafter;

(6) \$1,000,000 the first year and \$1,000,000 the second year are to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in schools and early childhood education centers, including, at the commissioner's discretion, reimbursing schools and early childhood education centers for purchases from local farmers;

(7) \$1,000,000 the first year and \$1,000,000 the second year are for urban youth agricultural education or urban agriculture community development;

(8) \$500,000 the first year and \$500,000 the second year are for the good food access program under Minnesota Statutes, section 17.1017; and

(9) \$1,000,000 the first year and \$1,000,000 the second year are to award and administer hemp fiber processing equipment grants under Minnesota Statutes, section 18K.10. The allocation in this clause is onetime.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) The base for the agricultural growth, research, and innovation program is \$16,079,000 in fiscal year 2026 and \$16,079,000 in fiscal year 2027, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

Subd. 5. Administration and Financial Assistance

21,557,000

16,673,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$350,000 the first year and \$350,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(c) \$1,425,000 the first year and \$1,425,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117.

(d) \$1,950,000 the first year and \$1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers, processors, and food hubs. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors, producers, and food hubs.

Of the amount appropriated under this paragraph, at least \$850,000 each year must be allocated under clause (1) and at least \$100,000 each year must be used to purchase eligible items from food hubs that aggregate food produced by emerging farmers. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

(e) \$100,000 the first year and \$100,000 the second year are for grants to The Good Acre for the Local Emergency Assistance Farmer Fund program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota. This is a onetime appropriation.

(f) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(g) \$400,000 the first year and \$400,000 the second year are to expand the Emerging Farmer Office. The Emerging Farmer Office must engage and support emerging farmers regarding resources and opportunities available through the Department of Agriculture and throughout the state. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, \$25,000 is for translation services.

(h) \$337,000 the first year and \$337,000 the second year are for farm advocate services. Of the amount appropriated each year, \$50,000 is for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(i) \$260,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(j) \$250,000 the first year and \$250,000 the second year are to award and administer beginning farmer equipment and infrastructure grants under Minnesota Statutes, section 17.055.

(k) \$150,000 the first year and \$150,000 the second year are for administrative support for the Rural Finance Authority.

(l) \$750,000 the first year and \$750,000 the second year are to award and administer down payment assistance grants under Minnesota Statutes, section 17.133, to emerging farmers as defined

in Minnesota Statutes, section 17.055, subdivision 1. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2025, are available until June 30, 2027.

(m) \$50,000 the first year is to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.

(n) \$500,000 the first year and \$500,000 the second year are for meat processing training and retention incentive grants under section 6. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. This is a onetime appropriation.

(o) \$3,000,000 the first year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants to Minnesota dairy farmers who enroll in coverage under a federal dairy risk protection program and produced no more than 25,000,000 pounds of milk in 2022. The commissioner must award DAIRI grants based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating producer, at a rate determined by the commissioner within the limits of available funding. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available the second year and any unencumbered balance at the end of the second year is available until June 30, 2026. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

(p) \$150,000 the first year and \$150,000 the second year are for technical assistance grants to certified community development financial institutions that participate in United States Department of Agriculture loan or grant programs for small or emerging farmers, including but not limited to the Increasing Land, Capital, and Market Access Program. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

(q) \$1,000,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(r) \$1,584,000 the first year and \$1,000,000 the second year are to support IT modernization efforts, including laying the technology foundations necessary to improve customer licensing and payment interactions with the department. This is a onetime appropriation.

(s) \$150,000 the first year and \$150,000 the second year are to coordinate climate-related activities and services within the Department of Agriculture and counterparts in local, state, and federal agencies and to hire a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(t) \$250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with a report submitted by January 3, 2024, and a final report submitted by September 1, 2025. The reports must include a list of equipment purchased, including the cost of each item.

(u) \$2,500,000 the first year and \$2,500,000 the second year are to maintain the current level of service delivery. The base for this appropriation is \$3,011,000 in fiscal year 2026 and \$3,011,000 in fiscal year 2027.

(v) \$1,000,000 the first year and \$1,000,000 the second year are for transfer to the Board of Regents of the University of Minnesota to evaluate, propagate, and maintain the genetic diversity of oilseeds, grains, grasses, legumes, and other plants including flax, timothy, barley, rye, triticale, alfalfa, orchard grass, clover, and other species and varieties that were in commercial distribution and use in Minnesota before 1970, excluding wild rice. This effort must also protect traditional seeds brought to Minnesota by immigrant communities. This appropriation includes funding for associated extension and outreach to small and Black, Indigenous, and People of Color (BIPOC) farmers. This is a onetime appropriation.

(w) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

Sec. 3. **BOARD OF ANIMAL HEALTH**

\$6,613,000

\$6,779,000

(a) \$560,000 the first year and \$560,000 the second year are for agricultural emergency preparedness and response. As part of the fiscal year 2024 and 2025 reports required under Minnesota Statutes, section 35.03, the Board of Animal Health must report the number of additional staff positions created under this paragraph, the number of full-time equivalent staff hired under this paragraph and their specific expertise and training, and the specific types of incidents and animal diseases for which the board is preparing.

(b) \$6,000 the first year and \$6,000 the second year are for meeting expenses for the additional board members.

(c) \$166,000 the first year and \$332,000 the second year are to maintain the current level of service delivery.

Sec. 4. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE

\$5,643,000

\$4,343,000

(a) \$300,000 the first year is for equipment upgrades, equipment replacement, installation expenses, and laboratory infrastructure at the Agricultural Utilization Research Institute's laboratories in the cities of Crookston, Marshall, and Waseca.

(b) \$1,000,000 the first year is to replace analytical and processing equipment and make corresponding facility upgrades at Agricultural Utilization Research Institute facilities in the cities of Marshall and Waseca. This is a onetime appropriation and is available until June 30, 2026.

(c) \$300,000 the first year and \$300,000 the second year are to maintain the current level of service delivery.

Sec. 5. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as amended by Laws 2022, chapter 95, article 1, section 1, subdivision 5, is amended to read:

Subd. 5. Administration and Financial Assistance

11,477,000

13,429,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$387,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$100,000 the first year and \$50,000 the second year are for a pilot program creating farmland access teams to provide technical assistance to potential beginning farmers. The farmland access teams must assist existing farmers and beginning farmers on transitioning farm ownership and operation. Services provided by teams may include but are not limited to providing mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance. Of this amount for farm transitions, up to \$50,000 the first year may be used to upgrade the Minnesota FarmLink web application that connects farmers looking for land with farmers looking to transition their land.

(c) \$47,000 the first year and \$47,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. These are onetime appropriations.

(d) \$238,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration. The base for this appropriation is \$260,000 in fiscal year 2024 and later.

(e) \$1,700,000 the first year and \$1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Of the amount appropriated under this paragraph, at least \$600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

(f) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(g) \$1,437,000 the first year and \$1,437,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117. The base for appropriations under this paragraph in fiscal year 2024 and thereafter is \$1,425,000. The commissioner must examine how the department could use up to one-third of the amount transferred to the agricultural and environmental revolving loan account under this paragraph to award grants to rural landowners to replace septic systems that inadequately protect groundwater. No later than February 1, 2022, the commissioner must report to the legislative committees with jurisdiction over agriculture finance and environment finance on the results of the examination required under this paragraph. The commissioner's report may include other funding sources for septic system replacement that are available to rural landowners.

(h) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development. These are onetime appropriations.

(i) \$150,000 the first year is to provide grants to Central Lakes College for the purposes of designing, building, and offering credentials in the area of meat cutting and butchery that align with industry needs as advised by local industry advisory councils. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year. The commissioner may only award a grant under this paragraph if the grant is matched by a like amount from another funding source. The commissioner must seek matching dollars from Minnesota State Colleges and Universities or other entities. The appropriation is onetime and is available until June 30, 2024. Any money remaining on June 30, 2024, must be transferred to the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, and is available until June 30, 2025. Grants may be used for costs including but not limited to:

- (1) facility renovation to accommodate meat cutting;
- (2) curriculum design and approval from the Higher Learning Commission;
- (3) program operational start-up costs;
- (4) equipment required for a meat cutting program; and
- (5) meat handling start-up costs in regard to meat access and market channel building.

No later than January 15, 2023, Central Lakes College must submit a report outlining the use of grant money to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture and higher education.

(j) \$2,000 the first year is for grants to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(k) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota State Horticultural Society. These are onetime appropriations.

(l) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(m) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

(n) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(o) \$75,000 the first year and \$75,000 the second year are for grants to Greater Mankato Growth, Inc., for assistance to agriculture-related businesses to promote jobs, innovation, and synergy development. These are onetime appropriations.

(p) \$75,000 the first year and \$75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. No later than January 15, 2023, the Minnesota Turf Seed

Council must submit a report outlining the use of the grant money and related accomplishments to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture. These are onetime appropriations. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(q) \$150,000 the first year and \$150,000 the second year are to establish an emerging farmer office and hire a full-time emerging farmer outreach coordinator. The emerging farmer outreach coordinator must engage and support emerging farmers regarding resources and opportunities available throughout the Department of Agriculture and the state. For purposes of this paragraph, "emerging farmer" has the meaning provided in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, \$25,000 is for translation services for farmers and cottage food producers.

(r) \$222,000 the first year and \$286,000 the second year are to maintain the current level of service delivery.

(s) \$827,000 the second year is to award and administer grants to:

(1) organizations to provide technical and culturally appropriate services to emerging farmers and related businesses;

(2) organizations to help emerging farmers pay for up to 65 percent of premium expenses each year up to two years under the federal micro farm insurance program; and

(3) The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota.

This is a onetime appropriation and is available until June 30, 2024.

(t) \$750,000 the second year is to support the IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. The base for this appropriation is \$584,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(u) \$1,500,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041. This is a onetime transfer. This transfer is in addition to the appropriations made in Laws 2022, chapter 47, section 2.

Notwithstanding Minnesota Statutes, section 17.041, the commissioner may use the amount to be transferred for the purposes identified under Laws 2022, chapter 47, section 2, paragraph (b). This paragraph expires on December 31, 2022.

(v) \$250,000 in the second year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with initial reports completed by January 3, 2023, and January 3, 2024, and a final report by September 1, 2025. The reports must include a list of equipment purchased, including the cost of each item. The base for this appropriation is \$250,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(w) \$141,000 the second year is for additional funding to administer the beginning farmer tax credit. The base for this appropriation is \$56,000 in fiscal year 2024 and later.

(x) \$750,000 the second year is for a grant to the Ag Innovation Campus to continue construction of a soybean processing and research facility. This is a onetime appropriation.

The commissioner shall submit a report on the utilization of the grants to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by February 1, 2024.

(y) \$50,000 is added to the base for fiscal year 2024 and \$0 for fiscal year 2025 to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.

(z) \$500,000 the second year is to award and administer down payment assistance grants under Minnesota Statutes, section 17.133. The base for this appropriation is \$750,000 in fiscal year 2024 and thereafter. Notwithstanding Minnesota Statutes, section 16A.28, appropriations encumbered under contract by June 30, 2023, are available until June 30, 2025.

(aa) \$350,000 the second year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. By January 15, 2023, the commissioner must report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under

this paragraph that were not covered in the report due by January 15, 2023, the commissioner must submit an additional report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2023. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

- (1) equipment required for a meat cutting program;
- (2) facility renovation to accommodate meat cutting; and
- (3) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to \$70,000 and may use up to ten percent of the grant for faculty training.

Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities system and local industry partners.

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

Sec. 6. **GRANTS FOR MEAT PROCESSING TRAINING AND RETENTION INCENTIVES.**

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

(b) "Partner organizations" include:

- (1) foundations engaged in economic development;
- (2) community development financial institutions;
- (3) federally recognized economic development districts; and
- (4) community development corporations.

(c) "Small- to medium-sized meat and poultry processor" means a meat and poultry processor licensed by the state of Minnesota or the federal government that has fewer than 150 employees.

Subd. 2. **Grants.** (a) The commissioner of agriculture must provide grants to partner organizations to assist small- to medium-sized meat and poultry processors with hiring and training new employees. New employees at eligible meat and poultry processing plants may receive up to \$10,000 in the form of tuition reimbursement for programs at Minnesota State Colleges and Universities, sign-on bonuses, relocation assistance, retention incentives, child care stipends, and other related expenses. Employees at any one meat or poultry processor may not receive more than \$50,000 under this paragraph.

(b) Up to 20 percent of a grant to a partner organization may be used for direct services to employees, including but not limited to translation services.

(c) Priority must be given to applications from partner organizations working in partnership with Minnesota State Colleges and Universities.

ARTICLE 2
AGRICULTURE STATUTORY CHANGES

Section 1. [17.033] LICENSE AND PERMIT SURCHARGES.

The commissioner may collect license and permit surcharges on all licensing and permitting transactions conducted by the Department of Agriculture for which a fee is charged. The surcharge applies to all initial and renewal license and permit applications and is calculated based on the license or permit base fee. Late penalties or other assessments are not included in the calculation of the surcharge. The fee is set at five percent beginning August 1, 2023, with a minimum fee of \$5 for each transaction. The surcharge rate must be reviewed and set annually by the commissioner and may be assessed at a rate of between three and eight percent of the licensing or permitting fee, with a minimum fee of \$5 for each transaction. The fees collected for this surcharge must be deposited in a dedicated account in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for the information technology improvement activities needed to create electronic systems for conducting licensing and permitting transactions and to modernize the department's inspection and customer management systems.

Sec. 2. Minnesota Statutes 2022, section 17.055, subdivision 1, is amended to read:

Subdivision 1. **Emerging farmer working group.** To advise the commissioner and legislature regarding the development and implementation of programs and initiatives that support emerging farmers in this state, the commissioner must periodically convene a working group consisting, to the extent possible, of persons who are, and organizations that represent, farmers or aspiring farmers who are women, veterans, persons with disabilities, American Indian or Alaskan Natives, members of a community of color, young, ~~and lesbian, gay, bisexual, transgender, queer, intersex, or asexual (LGBTQIA+),~~ or urban, and any other emerging farmers as determined by the commissioner. ~~No later than January 15 each year, the commissioner must update the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture regarding the working group's activities and recommendations.~~

Sec. 3. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to read:

Subd. 2a. **Emerging Farmers Office.** The Emerging Farmers Office exists to support emerging farmers. For purposes of this subdivision, "emerging farmer" has the meaning given in subdivision 1. At a minimum, the office must coordinate the emerging farmer working group under subdivision 1 and the beginning farmer equipment and infrastructure grant program under subdivision 3.

Sec. 4. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to read:

Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner may award and administer equipment and infrastructure grants to beginning farmers. The commissioner shall give preference to applicants who are emerging farmers as defined in subdivision 1. Grant money may be used for equipment and infrastructure development.

(b) The commissioner shall develop competitive eligibility criteria and may allocate grants on a needs basis.

(c) Grant projects may continue for up to two years.

Sec. 5. Minnesota Statutes 2022, section 17.055, is amended by adding a subdivision to read:

Subd. 4. **Report.** No later than February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture regarding the emerging farmer working group's activities, recommendations, and any grants awarded under this section.

Sec. 6. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant program to help farmers finance new cooperatives that organize for purposes of operating an agricultural product processing facility or marketing an agricultural product or agricultural service.

(b) To be eligible for this program, a grantee must:

(1) be a cooperative organized under chapter 308A or 308B;

(2) certify that all control ~~and equity in~~ of the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

(3) be operated primarily to process agricultural commodities or market agricultural products or services produced in Minnesota; ~~and~~

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative; and

(5) not allow nonpatron voting rights.

(c) The commissioner may receive applications and make grants up to \$50,000 to eligible grantees for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business and marketing plans, and predesign of facilities, including site analysis, the development of bid specifications, preliminary blueprints and schematics, and the completion of purchase agreements and other necessary legal documents.

(d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 3, is amended to read:

Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a technical review panel appointed by the commissioner. The technical review panel shall consist of a soil scientist, an agronomist, a representative from a postsecondary educational institution, an agricultural marketing specialist, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, and a chair from the department.

(c) The technical review panel shall rank applications according to the following criteria:

(1) direct or indirect energy savings or production;

(2) environmental benefit;

(3) farm profitability;

(4) the number of farms able to apply the techniques or the technology proposed;

(5) the effectiveness of the project as a demonstration;

(6) the immediate transferability of the project to farms; and

(7) the ability of the project to accomplish its goals.

(d) The commissioner shall consider the recommendations of the technical review panel and may award grants for eligible projects. Priority must be given to applicants who are farmers or groups of farmers.

(e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000 is matched on an equal basis by the applicant's cash ~~or in-kind land use contribution.~~ contribution or the value of the applicant's in-kind land use, equipment use, or personal labor. Grant recipients who are not required to provide a match and grant recipients whose in-kind contributions exceed the amount needed to meet matching requirements may submit the value of the grant recipients' labor or equipment use as an expense eligible for payment from grant money. Grant funding of projects may not exceed \$50,000 under this section, but applicants may utilize other funding sources. A portion of each grant must be targeted for public information activities of the project.

(f) A project may continue for up to three years. Multiyear projects must be reevaluated by the technical review panel and the commissioner before second or third year funding is approved. A project is limited to one grant for its funding.

Sec. 8. Minnesota Statutes 2022, section 17.133, subdivision 3, is amended to read:

Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture and rural development, in compliance with sections 3.195 and 3.197, on the farm down payment assistance grants under this section. The report must include:

(1) background information on beginning farmers in Minnesota and any other information that the commissioner and authority find relevant to evaluating the effect of the grants on increasing opportunities for and the number of beginning farmers;

(2) the number and amount of grants;

(3) the geographic distribution of grants by county;

(4) the number of grant recipients who are emerging farmers;

(5) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

~~(5)~~ (6) the number of farmers who cease to own land and are subject to payment of a penalty, along with the reasons for the land ownership cessation; and

~~(6)~~ (7) the number and amount of grant applications that exceeded the allocation available in each year.

Sec. 9. **[17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

Subdivision 1. **Establishment.** The commissioner must establish and administer a program to support healthy soil management practices in accordance with this section.

Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for any project on agricultural land in Minnesota that will:

(1) increase the quantity of organic carbon in soil through practices, including but not limited to reduced tillage, cover cropping, manure management, precision agriculture, crop rotations, and changes in grazing management;

(2) integrate perennial vegetation into the management of agricultural lands;

(3) reduce nitrous oxide and methane emissions through changes to livestock, soil management, or nutrient optimization;

(4) increase the usage of precision agricultural practices;

(5) enable the development of site-specific management plans; or

(6) enable the purchase of equipment, parts and materials, technology, subscriptions, technical assistance, seeds, seedlings, or amendments that will further any of the purposes in clauses (1) to (5).

Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under this section. Local government units, including cities, towns, counties, soil and water conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant. A local government unit that receives a grant for equipment or technology must make those purchases available for use by the public.

Sec. 10. Minnesota Statutes 2022, section 18B.01, subdivision 2b, is amended to read:

Subd. 2b. **Bee owner.** "Bee owner" means a person who owns ~~an apiary~~ a bee colony or colonies.

Sec. 11. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to read:

Subd. 2c. **Bee kill incident.** "Bee kill incident" means an acute pesticide poisoning of a bee colony or colonies located within one-half mile of each other at a single time point.

Sec. 12. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to read:

Subd. 18a. **Pesticide-treated seed.** "Pesticide-treated seed" means seed that has a pesticide directly applied to the seed before planting and is classified by the United States Environmental Protection Agency as a treated article under Code of Federal Regulations, title 40, section 152.25(a), and exempt from regulation under the federal Insecticide, Fungicide, and Rodenticide Act.

Sec. 13. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to read:

Subd. 30b. **Systemic pesticide.** "Systemic pesticide" means a pesticide designed to be absorbed by plants and translocated throughout plant tissue. Systemic pesticides include:

(1) acetamiprid, dinotefuran, clothianidin, thiamethoxam, imidacloprid, nitenpyram, thiacloprid, fipronil, flupyradifurone, sulfoxaflor, cyantraniliprole, or chlorantraniliprole; and

(2) any other pesticide determined by the commissioner to be a systemic pesticide, including any chemical belonging to the neonicotinoid or anthranilic diamide class.

Sec. 14. Minnesota Statutes 2022, section 18B.03, subdivision 1, is amended to read:

Subdivision 1. **Administration by commissioner.** The commissioner shall administer, implement, and enforce this chapter and the Department of Agriculture is the lead state agency for the regulation of pesticides and pesticide-treated seed. The commissioner has the sole regulatory authority over the terrestrial application of pesticides, including, but not limited to, the application of pesticides to agricultural crops, structures, and other nonaquatic environments. Except as provided in subdivision 3, a state agency other than the Department of Agriculture shall not regulate or require permits for the terrestrial or nonaquatic application of pesticides.

Sec. 15. Minnesota Statutes 2022, section 18B.04, is amended to read:

18B.04 PESTICIDE IMPACT ON ENVIRONMENT.

(a) The commissioner shall:

(1) determine the impact of pesticides and pesticide-treated seed on the environment, including the impacts on surface water and groundwater in this state;

(2) develop best management practices involving pesticide or pesticide-treated seed distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health, pollinators, and the environment from harmful exposure to pesticides.

(b) The commissioner may assemble a group of experts under section 16C.10, subdivision 2, to consult in the investigation of pollinator deaths or illnesses. The group of experts may include representatives from local, state, and federal agencies; academia, including the University of Minnesota; the state pollinator bank; or other professionals as deemed necessary by the commissioner. The amount necessary for the purposes of this paragraph, not to exceed \$100,000 per fiscal year, is appropriated from the pesticide regulatory account in section 18B.05.

Sec. 16. Minnesota Statutes 2022, section 18B.051, is amended to read:

18B.051 POLLINATOR RESEARCH ACCOUNT.

Subdivision 1. **Account established.** A pollinator research account is established in the agricultural fund. Money in the account, including interest, is appropriated to the Board of Regents of the University of Minnesota for pollinator research and outreach, including, but not limited to, ~~science-based best practices and the identification and establishment of habitat beneficial to pollinators~~:

- (1) the identification and establishment of habitat beneficial to pollinators;
- (2) the development and promotion of science-based best management practices;
- (3) the development and promotion of practices that can reduce the effects of pesticides on pollinators;
- (4) the effects of seed treatments on pollinators; and
- (5) the development and promotion of integrated pest management, including pest economic thresholds.

The University of Minnesota must select projects in consultation with the Minnesota Department of Agriculture.

Subd. 2. **Expiration.** This section expires July 1, ~~2025~~ 2027.

Sec. 17. **[18B.052] SYSTEMIC PESTICIDE-TREATED SEED.**

Subdivision 1. **Systemic pesticide-treated seed program.** The commissioner must develop a program for systemic pesticide-treated seed and do the following:

- (1) develop guidance on appropriate use of systemic pesticide-treated seeds in Minnesota;
- (2) collaborate with the University of Minnesota and other interested parties to evaluate national and international research on efficacy of seed treatment rates, scouting techniques, pest pressures, economic thresholds, and planting or other technology to determine their applicability to Minnesota-specific conditions;
- (3) identify the research needs and projects that may be funded to help identify the times and locations where the use of systemic pesticide-treated seed would be effective in addressing a pest problem in Minnesota, including but not limited to consideration of cropping systems, pest pressures, soil types, geographic location, and feasibility of alternatives to systemic pesticide treatments; and
- (4) develop science-based best management practices for situations where use of systemic pesticide-treated seed is appropriate in Minnesota. This shall include a process for public comment on proposed BMPs.

Subd. 2. **Education and outreach.** The commissioner shall, in coordination with the University of Minnesota and other interested parties, develop and disseminate educational materials on best management practices and other related information for the use of systemic pesticide-treated seed and alternatives to the use of systemic pesticide-treated seed.

Subd. 3. **Engagement.** The commissioner may engage with and provide grants to the University of Minnesota and others in conducting research, demonstration projects, and developing recommended best management practices for the use of pesticide-treated seed.

Sec. 18. **[18B.053] PESTICIDE-TREATED SEED RESEARCH ACCOUNT.**

A pesticide-treated seed research account is established in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner to provide grants to the University of Minnesota or other parties for research related to the use of pesticide-treated seed and alternatives to the use of pesticide-treated seed. Funding in the account may be used to:

(1) determine situations where the use of pesticide-treated seed is necessary in Minnesota, including but not limited to consideration of cropping systems, pest pressures, soil types, geographic location, and feasibility of alternatives to systemic pesticide treatments;

(2) evaluate nonchemical pest prevention methods that may be used instead of pesticide-treated seed;

(3) develop science-based best management practices for situations where use of systemic pesticide-treated seed is appropriate in Minnesota; and

(4) develop and conduct demonstration, educational, and promotional activities for best management practices and other recommended practices related to the use, or minimization of the use, of pesticide-treated seed.

Sec. 19. Minnesota Statutes 2022, section 18B.055, is amended to read:

18B.055 COMPENSATION FOR BEES KILLED BY PESTICIDE; APPROPRIATION.

Subdivision 1. **Compensation required.** (a) The commissioner must compensate a ~~person~~ bee owner for an acute pesticide poisoning resulting in the death of bees or loss of bee colonies owned by the ~~person, provided: bee owner.~~

~~(1) the person who applied the pesticide cannot be determined;~~

~~(2) the person who applied the pesticide did so in a manner consistent with the pesticide product's label or labeling; or~~

~~(3) the person who applied the pesticide did so in a manner inconsistent with the pesticide product's label or labeling.~~

(b) Except as provided in this section, the bee owner is entitled to the fair market value of the dead bees and bee colonies losses as determined by the commissioner upon recommendation by academic experts and bee keepers. ~~In any fiscal year, A bee owner must not be compensated for a claim that is less than \$100 or compensated more than \$20,000 for all eligible claims. \$10,000 for a bee kill incident. A bee owner may only make one claim for a single bee kill incident.~~

(c) A bee owner must not be compensated more than \$20,000 in a fiscal year for bee kill incidents.

~~(d)~~ (d) To be eligible for compensation under this section, the bee owner and the affected apiary must be registered prior to the bee kill incident with a commonly utilized pesticide registry program, as designated by the commissioner.

~~Subd. 2. **Applicator responsible.** In the event a person applies a pesticide in a manner inconsistent with the pesticide product's label or labeling requirements as approved by the commissioner and is determined to have caused the acute pesticide poisoning of bees, resulting in death or loss of a bee colony kept for commercial purposes, then the person so identified must bear the responsibility of restitution for the value of the bees to the owner. In these cases the commissioner must not provide compensation as provided in this section.~~

Subd. 3. **Claim form.** Within three months of the commissioner making a determination of whether the death of bees or loss of bee colonies was caused by acute pesticide poisoning, the bee owner must file a claim on forms provided by the commissioner and available on the Department of Agriculture's website.

Subd. 4. **Determination.** The commissioner must determine whether the death of the bees or loss of bee colonies was caused by an acute pesticide poisoning, whether the pesticide applicator can be determined, and whether the pesticide applicator applied the pesticide product in a manner consistent with the pesticide product's label or labeling.

~~Subd. 5. **Payments; denial of compensation.** (a) If the commissioner determines the bee death or loss of bee colony was caused by an acute pesticide poisoning and either the pesticide applicator cannot be determined or the pesticide applicator applied the pesticide product in a manner consistent with the pesticide product's label or labeling, the commissioner may award compensation from the pesticide regulatory account. If the pesticide applicator can be determined and the applicator applied the pesticide product in a manner inconsistent with the product's label or labeling, the commissioner may collect a penalty from the pesticide applicator sufficient to compensate the bee owner for the fair market value of the dead bees and bee colonies losses, and must award the money to the bee owner.~~

~~(b)~~ (a) If the commissioner denies compensation claimed by a bee owner under this section, the commissioner must issue a written decision based upon the available evidence. The decision must include specification of the facts upon which the decision is based and the conclusions on the material issues of the claim. The commissioner must mail a copy of the decision to the bee owner.

~~(c)~~ (b) A decision to deny compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but may be reviewed upon a trial de novo in a court in the county where the loss occurred. The decision of the court may be appealed as in other civil cases. Review in court may be obtained by filing a petition for review with the administrator of the court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator must mail a copy to the commissioner and set a time for hearing within 90 days of the filing.

Subd. 6. **Deduction from payment.** The commissioner must reduce payments made under this section by any compensation received by the bee owner for dead bees and bee colonies losses as proceeds from an insurance policy or from another source.

Subd. 6a. **Enhanced penalty factor.** If the commissioner determines that a bee death or loss of bee colony was caused by acute pesticide poisoning, is able to determine the pesticide applicator that was responsible, and determines that the applicator applied the pesticide in a manner inconsistent with the product's label or labeling, the commissioner may add the amount that the bee owner received from the bee owner's claim to any penalty amount assessed by the commissioner under any penalty actions against the pesticide applicator under section 18D.315 or 18D.325.

Subd. 7. **Appropriation.** The amount necessary to pay claims under this section, not to exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory account in section 18B.05.

Sec. 20. **[18B.075] PESTICIDE-TREATED SEED.**

A person may not use, store, handle, distribute, or dispose of seed treated with pesticide in a manner that:

(1) endangers humans, food, livestock, fish, or wildlife; or

(2) will cause unreasonable adverse effects on the environment.

Sec. 21. **18B.117] REGISTRATION PROHIBITED.**

The commissioner must not register under section 18B.26 a pesticide product that contains a perfluoroalkyl or polyfluoroalkyl substance as an active or inert ingredient.

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

Sec. 22. Minnesota Statutes 2022, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~39~~ 64 cents per ton, and until June 30, 2024, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 23. Minnesota Statutes 2022, section 18H.02, is amended by adding a subdivision to read:

Subd. 15a. **Live plant dealer.** "Live plant dealer" means an entity who:

(1) raises, grows, or propagates nursery stock for sale, outdoors or indoors;

(2) acquires and further distributes nursery stock, including through landscaping or distribution with a tree spade; or

(3) operates a business in Minnesota selling nursery stock with or without taking ownership or handling the nursery stock.

Sec. 24. Minnesota Statutes 2022, section 18H.03, subdivision 6, is amended to read:

Subd. 6. **Dissemination of information.** The commissioner may disseminate information among ~~growers~~ live plant dealers relative to treatment of nursery stock in both prevention and elimination of attack by plant pests and diseases.

Sec. 25. Minnesota Statutes 2022, section 18H.05, is amended to read:

18H.05 NURSERY CERTIFICATE REQUIREMENTS.

(a) No person may offer for sale or distribute certified nursery stock as a ~~nursery stock grower or live plant dealer~~ without first obtaining the appropriate nursery stock certificate from the commissioner. The commissioner may not issue a certificate to a person who does not sell certified nursery stock. Certificates are issued solely for these purposes and may not be used for other purposes.

(b) A certificate issued by the commissioner expires on December 31 of the year it is issued.

(c) A person required to be certified by this section must apply for a certificate or for renewal on a form furnished by the commissioner which must contain:

(1) the name and address of the applicant, the number of locations to be operated by the applicant and their addresses, and the assumed business name of the applicant;

(2) if other than an individual, a statement whether a person is a partnership, corporation, or other organization;

(3) the type of business to be operated and, if the applicant is an agent, the principals the applicant represents; and

(4) source or sources of purchased nursery stock.

(d) No person may:

(1) falsely claim to be a certified live plant dealer, ~~grower, broker, or agent~~;

(2) make willful false statements when applying for a certificate; or

(3) sell or distribute certified nursery stock to an uncertified ~~nursery stock~~ live plant dealer who is required to be certified ~~or nursery stock grower~~.

(e) Each application for a certificate must be accompanied by the appropriate certificate fee under section 18H.07.

(f) Certificates issued by the commissioner must be prominently displayed to the public in the place of business where certified nursery stock is sold or distributed.

(g) The commissioner may refuse to issue a certificate for cause.

(h) Each ~~grower or~~ live plant dealer is entitled to one sales location under the certificate ~~of the grower or dealer~~. Each additional sales location maintained by the person requires the payment of the full certificate fee for each additional sales outlet.

~~(i) A grower who is also a dealer is certified only as a grower for that specific site.~~

⊕ (i) A certificate is personal to the applicant and may not be transferred. A new certificate is necessary if the business entity is changed or if the membership of a partnership is changed, whether or not the business name is changed.

⊕ (j) The certificate issued to a live plant dealer ~~or grower~~ applies to the particular premises named in the certificate. However, if prior approval is obtained from the commissioner, the place of business may be moved to the other premises or location without an additional certificate fee.

⊕ (k) A collector of nursery stock from the wild is required to obtain a ~~dealer's~~ live plant dealer certificate from the commissioner and is subject to all the requirements that apply to the inspection of nursery stock. All collected nursery stock must be labeled as "collected from the wild."

Sec. 26. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to read:

Subd. 3a. New live plant dealer certificate. An entity that was not distributing certified nursery stock for the past two full calendar years is considered a new applicant for the basis of fee determination. A new live plant dealer must pay the following fees:

(1) \$50 fee for a live plant dealer certificate that allows for one retail sales location. A \$50 certificate is required for each additional retail sales location; and

(2) a live plant dealer growing nursery stock requires an inspection for certification of that nursery stock prior to sale of the nursery stock and must be assessed an additional charge of \$100 plus \$10 per acre up to 200 acres. Acreage to be certified should be rounded to the nearest one acre. For the basis of fee determination, "growing nursery stock" means the purchase of seeds, seedlings, or small plants and the cultivation of the plants in fields or containers in Minnesota for eventual sale, including cutting, splitting, and propagating plants.

Sec. 27. Minnesota Statutes 2022, section 18H.07, is amended by adding a subdivision to read:

Subd. 3b. Live plant dealer renewal certificate. (a) A renewal certificate is for a live plant dealer that has had a certificate in at least one of the past two full calendar years. A live plant dealer must pay an annual fee based on the following criteria:

(1) a \$50 fee for a live plant dealer certificate that allows for one retail sales location. A \$50 certificate is required for each additional retail sales location;

(2) a fee of gross annual purchases of certified nursery stock as noted in the table below with the intent to resell in the same year. These are plants that are watered and maintained only for the purposes of keeping the plants alive. Gross annual purchases are calculated for nursery stock purchases from January 1 through December 31 of the most recent certificate year according to the following table;

<u>Purchases</u>		<u>Fee</u>
<u>\$0</u>	<u>to \$3,000</u>	<u>\$0</u>
<u>\$3,001</u>	<u>to \$10,000</u>	<u>\$50</u>
<u>\$10,001</u>	<u>to \$20,000</u>	<u>\$100</u>
<u>\$20,001</u>	<u>to \$50,000</u>	<u>\$225</u>
<u>\$50,001</u>	<u>to \$100,000</u>	<u>\$425</u>
<u>\$100,001</u>	<u>to \$150,000</u>	<u>\$600</u>
<u>\$150,001</u>	<u>to \$200,000</u>	<u>\$750</u>
<u>\$200,001</u>	<u>to \$300,000</u>	<u>\$975</u>
<u>\$300,001</u>	<u>to \$400,000</u>	<u>\$1,200</u>
<u>\$400,001</u>	<u>to \$500,000</u>	<u>\$1,250</u>
<u>\$500,001</u>	<u>to \$600,000</u>	<u>\$1,350</u>
<u>\$600,001</u>	<u>to \$700,000</u>	<u>\$1,400</u>
<u>\$700,001</u>	<u>to \$800,000</u>	<u>\$1,500</u>
<u>\$800,001</u>	<u>to \$900,000</u>	<u>\$1,600</u>
<u>\$900,001</u>	<u>to \$1,000,000</u>	<u>\$1,700</u>
<u>\$1,000,001</u>	<u>to \$2,000,000</u>	<u>\$1,800</u>
<u>\$2,000,001</u>	<u>to \$3,000,000</u>	<u>\$1,900</u>
<u>\$3,000,001 or more</u>		<u>.0005 x annual purchases; and</u>

(3) a live plant dealer growing nursery stock requires an inspection for certification of that nursery stock prior to sale and must be assessed an additional charge of \$100 plus \$10 per acre up to 200 acres. Acreage to be certified should be rounded to the nearest one acre. For the basis of fee determination, "growing nursery stock" is the purchase of seeds, seedlings, or small plants and the cultivation of plants in fields or containers in Minnesota for eventual sale, including cutting, splitting, and propagating plants.

(b) In addition to the fees in paragraph (a), a penalty of 25 percent of the fee due may be charged or a portion thereof, if the fee is delinquent or any application for renewal is not postmarked or electronically date stamped by December 31 of the current year.

(c) A live plant dealer operating without a valid certificate must not offer nursery stock for sale or sell nursery stock until a certificate is issued to the live plant dealer by the commissioner and the live plant dealer has paid any applicable fees and penalties in full.

Sec. 28. Minnesota Statutes 2022, section 18H.08, subdivision 2, is amended to read:

Subd. 2. **Virus disease-free certification.** The commissioner may provide special services such as virus disease-free certification and other similar programs. Participation by ~~nursery stock growers~~ live plant dealers is voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner shall collect reasonable fees from participating ~~nursery stock growers~~ live plant dealers for services and materials that are necessary to conduct this type of work.

Sec. 29. Minnesota Statutes 2022, section 18H.09, is amended to read:

18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.

(a) All nursery stock growing at sites identified by ~~nursery stock dealers or nursery stock growers~~ live plant dealers and submitted for inspection must be inspected by the commissioner within the previous 12 months prior to sale and found apparently free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. The commissioner may waive a site inspection under the following conditions:

- (1) the nursery stock is not going to be sold within 12 months;
- (2) the nursery stock will not be moved out of Minnesota; and
- (3) the nursery site or stock is not subject to certification requirements associated with a state or federally regulated or quarantined plant pest.

All nursery stock originating from out of state and offered for sale in Minnesota must have been inspected by the appropriate state or federal agency during the previous 12 months and found free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. A nursery stock certificate is valid from January 1 to December 31.

(b) Nursery stock must be accessible to the commissioner for inspection during regular business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend or withhold a certificate or require a reinspection.

(c) Inspection reports issued to ~~growers~~ live plant dealers must contain a list of the plant pests found at the time of inspection. Withdrawal-from-distribution orders are considered part of the inspection reports. A withdrawal-from-distribution order must contain a list of plants withdrawn from distribution and the location of the plants.

(d) The commissioner may post signs to delineate sections withdrawn from distribution. These signs must remain in place until the commissioner removes them or grants written permission to the grower to remove the signs.

(e) Inspection reports issued to live plant dealers must outline the violations involved and corrective actions to be taken including withdrawal-from-distribution orders which would specify nursery stock that could not be distributed from a certain area.

(f) Optional inspections of plants may be conducted by the commissioner upon request by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged for such an inspection.

Sec. 30. Minnesota Statutes 2022, section 18H.13, subdivision 3, is amended to read:

Subd. 3. **Reciprocal agreements.** The commissioner may cooperate with and enter into reciprocal agreements with other states regarding licensing and movement of nursery stock. Reciprocal agreements with other states do not prevent the commissioner from prohibiting the distribution in Minnesota of any nursery stock that fails to meet minimum criteria for nursery stock of Minnesota certified ~~growers, dealers, or both~~ live plant dealers. An official directory of certified nurseries and related nursery industry businesses from other states is acceptable in lieu of individual nursery certificates.

Sec. 31. Minnesota Statutes 2022, section 18H.15, is amended to read:

18H.15 VIOLATIONS.

(a) A person who offers to distribute nursery stock that is uncertified, uninspected, or falsely labeled or advertised possesses an illegal regulated commodity that is considered infested or infected with harmful plant pests and subject to regulatory action and control. If the commissioner determines that the provisions of this section have been violated, the commissioner may order the destruction of all of the plants unless the person:

- (1) provides proper phytosanitary preclearance, phytosanitary certification, or nursery stock certification;
- (2) agrees to have the plants, plant materials, or nursery stock returned to the consignor; and
- (3) provides proper documentation, certification, or compliance to support advertising claims.

(b) The plant owner is liable for all costs associated with a withdrawal-from-distribution order or the quarantine, treatment, or destruction of plants. The commissioner is not liable for actual or incidental costs incurred by a person due to the commissioner's actions. The commissioner must be reimbursed by the owner of the plants for the actual expenses incurred in carrying out a withdrawal-from-distribution order or the quarantine, treatment, or destruction of any plants.

(c) It is unlawful for a person to:

(1) misrepresent, falsify, or knowingly distribute, sell, advertise, or display damaged, mislabeled, misrepresented, infested, or infected nursery stock;

- (2) fail to obtain a nursery certificate as required by the commissioner;
- (3) fail to renew a nursery certificate, but continue business operations;
- (4) fail to display a nursery certificate;
- (5) misrepresent or falsify a nursery certificate;
- (6) refuse to submit to a nursery inspection;
- (7) fail to provide the cooperation necessary to conduct a successful nursery inspection;
- (8) offer for sale uncertified plants, plant materials, or nursery stock;
- (9) possess an illegal regulated commodity;

(10) violate or disobey a commissioner's order;

(11) violate a quarantine issued by the commissioner;

(12) fail to obtain phytosanitary certification for plant material or nursery stock brought into Minnesota;

(13) deface, mutilate, or destroy a nursery stock certificate, phytosanitary certificate, or phytosanitary preclearance certificate, or other commissioner mark, permit, or certificate;

(14) fail to notify the commissioner of an uncertified shipment of plants, plant materials, or nursery stock;

(15) transport uncertified plants, plant materials, or nursery stock in Minnesota; or

(16) sell nursery stock to an uncertified ~~nursery stock~~ live plant dealer who is required to be certified.

Sec. 32. Minnesota Statutes 2022, section 18K.04, subdivision 1, is amended to read:

Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license from the commissioner before (1) growing industrial hemp ~~for commercial or research purposes, and (2) before processing industrial hemp for commercial purposes, or (3) researching industrial hemp.~~

(b) To obtain a license under paragraph (a), a person must apply to the commissioner in the form prescribed by the commissioner and must pay the annual registration and inspection fee established by the commissioner in accordance with section 16A.1285, subdivision 2.

(c) For a license to grow industrial hemp ~~for commercial or research purposes,~~ the license application must include the name and address of the applicant and the legal description of the land area or areas where industrial hemp will be grown by the applicant and any other information required under Code of Federal Regulations, title 7, part 990.

(d) For a license to process industrial hemp ~~for commercial purposes,~~ the license application must include the name and address of the applicant, the legal description of the processing location, and any other information required by the commissioner.

(e) A licensee is responsible for compliance with the license requirements irrespective of the acts or omissions of an authorized representative acting on behalf of the licensee.

(f) When an applicant has paid the fee and completed the application process to the satisfaction of the commissioner, the commissioner must issue a license which is valid until December 31 of the year of application.

(g) A person licensed under paragraph (a) to grow industrial hemp is presumed to be growing industrial hemp for commercial or research purposes.

Sec. 33. Minnesota Statutes 2022, section 18K.04, subdivision 2, is amended to read:

Subd. 2. **Background check; data classification.** The commissioner must require each first-time applicant for a license to submit to a background investigation conducted by the Bureau of Criminal Apprehension as a condition of licensure. Any first-time authorized representatives designated by the applicant must also submit to a background investigation. As part of the background investigation, the Bureau of Criminal Apprehension must conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the United States Department of Justice, Federal Bureau of Investigation for the purpose of a criminal background check of the national files. The cost of the investigation must be paid by the applicant. Criminal history records provided to the commissioner under this section must be treated as private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 34. Minnesota Statutes 2022, section 18K.06, is amended to read:

18K.06 RULEMAKING.

(a) The commissioner shall adopt rules governing the production, testing, processing, and licensing of industrial hemp. ~~Notwithstanding section 14.125, the commissioner's authority to adopt these rules expires June 30, 2022. Notwithstanding the two-year limitation for exempt rules under section 14.388, subdivision 1, Minnesota Rules, chapter 1565, published in the State Register on August 16, 2021, is effective until August 16, 2025, or until permanent rules implementing chapter 18K are adopted, whichever occurs first.~~

(b) Rules adopted under paragraph (a) must include, but not be limited to, provisions governing:

- (1) the supervision and inspection of industrial hemp during its growth and harvest;
- (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;
- (3) the use of background check results required under section 18K.04 to approve or deny a license application; and
- (4) any other provision or procedure necessary to carry out the purposes of this chapter.

(c) Rules issued under this section must be consistent with federal law regarding the production, distribution, and sale of industrial hemp.

Sec. 35. **18K.10 HEMP FIBER PROCESSING EQUIPMENT GRANTS.**

The commissioner must award grants to licensed processors that increase the state's capacity to process industrial hemp fiber. Grants are limited to no more than \$200,000 of processing equipment and reasonable equipment installation costs per processing location. A licensed processor must match the grant with other funding equal to at least 25 percent of the grant amount.

Sec. 36. Minnesota Statutes 2022, section 25.39, subdivision 1, is amended to read:

Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must be paid to the commissioner on commercial feeds distributed in this state by the person who first distributes the commercial feed, except that:

(1) no fee need be paid on any feed ingredient in a customer formula feed that has been directly furnished by the customer; or

(2) no fee need be paid on a first distribution if made to a qualified buyer who, with approval from the commissioner, is responsible for the fee. Such license-specific tonnage-fee-exemption permits shall be issued on a calendar year basis to commercial feed licensees who distribute feed or feed ingredients outside the state, and who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food or specialty pet food distributed in the state only in packages of ten pounds or less, a distributor must register each product ~~and submit a current label for each product~~ annually on forms provided by the commissioner, accompanied by an annual application fee of \$100 for each product in lieu of the inspection fee, and within five business days, submit a current label for each product upon the request of the commissioner. This annual fee must be received by the commissioner on or before June 30 or postmarked on or before June 30. The inspection fee required by paragraph (a) applies to pet food or specialty pet food distributed in packages exceeding ten pounds.

(c) The minimum inspection fee is \$75 per annual reporting period.

Sec. 37. Minnesota Statutes 2022, section 28A.08, is amended by adding a subdivision to read:

Subd. 4. Food handler license account; appropriation. A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to licensing and inspecting food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 38. Minnesota Statutes 2022, section 28A.082, subdivision 1, is amended to read:

Subdivision 1. **Fees; application.** (a) The fees for review of food handler facility floor plans under the Minnesota Food Code are based upon the square footage of the structure being newly constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
0 - 4,999 999	\$200.00
1,000 - 4,999	\$400.00
5,000 - 24,999	\$ 275.00 800.00
25,000 plus	\$ 425.00 1,000.00

(b) The applicant must submit the required fee, review application, plans, equipment specifications, materials lists, and other required information on forms supplied by the department at least 30 days prior to commencement of construction, remodeling, or conversion. The commissioner may waive this fee after determining that the facility's principal mode of business is not the sale of food and that the facility sells only prepackaged foods.

(c) The fee for a remodel of a licensed food establishment by the license holder is based on the total square footage in paragraph (a) of the remodeled food preparation, service, display, and storage areas only. This paragraph does not apply to a retail food handler who is applying for a new license that includes the conversion of an existing building or structure that was previously licensed as a food establishment.

Sec. 39. Minnesota Statutes 2022, section 28A.09, is amended by adding a subdivision to read:

Subd. 3. Vending machine inspection account; appropriation. A vending machine inspection account is established in the agricultural fund. Fees paid under subdivision 1 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to identifying and inspecting food vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 40. Minnesota Statutes 2022, section 35.02, subdivision 1, is amended to read:

Subdivision 1. **Members; officers.** ~~The board has six 11 members appointed by the governor with the advice and consent of the senate, four of whom are producers of livestock in the state and at least one of the four livestock producers is also a member of a federally recognized Tribe located in Minnesota, and two of whom are practicing veterinarians licensed in Minnesota~~ two at-large members, one member who is a member of a federally recognized Tribe located in Minnesota, and eight regional members, with no two regional members residing in the same congressional district. To the extent practicable, the governor's appointments must achieve gender balance among the board membership. Members must be knowledgeable in animal agriculture, animal health, or pets and companion animals, with at least two members who represent the public and are not employed in agriculture, veterinary medicine, the pet industry, or a related field. The commissioners of agriculture, natural resources, and health, the dean of the College of Veterinary Medicine, and the director of the Veterinary Diagnostic Laboratory of the University of Minnesota ~~may~~ shall serve as consultants to the board without vote. Appointments to fill

unexpired terms must be made from the classes to which the retiring members belong. The board shall elect a president and a vice-president from among its members ~~and~~. The governor shall appoint a veterinarian licensed in Minnesota who is not a member to be ~~its~~ the board's executive director for a term of one year and until a successor qualifies. The board shall set the duties of the director.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to appointments that occur on or after that date.

Sec. 41. Minnesota Statutes 2022, section 35.05, is amended to read:

35.05 AUTHORITY OF STATE BOARD.

(a) The state board may quarantine or kill any domestic animal infected with, or which has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect the health of the domestic animals of the state.

(b) The board may regulate or prohibit the arrival in and departure from the state of infected or exposed animals and, in case of violation of any rule or prohibition, may detain any animal at its owner's expense. The board may regulate or prohibit the importation of domestic animals which, in its opinion, may injure the health of Minnesota livestock.

(c) When the governor declares an emergency under section 35.0661, the board, through its executive director, may assume control of such resources within the University of Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease outbreak. The director of the laboratory and other laboratory personnel must cooperate fully in performing necessary functions related to the outbreak or threatened outbreak.

(d) The board may test or require tests of any bovine or cervidae in the state when the board deems it necessary to achieve or maintain bovine tuberculosis accredited free state or zone status under the regulations and laws administered by the United States Department of Agriculture.

(e) Notwithstanding section 3.3005, subdivision 2, the board may apply for, receive, and disburse federal money made available to the state for animal disease response. All federal money received by the board for this purpose must be deposited in the state treasury and, ~~except as provided in section 35.156, subdivision 2,~~ is appropriated to the board for the purposes for which it was received. By January 15 each year, the board must report to the senate Committee on Finance, the house of representatives Committee on Ways and Means, and the legislative committees with jurisdiction over the board's operating budget regarding the amount of federal money received and spent in the previous fiscal year under this paragraph and the board's use of these funds.

Sec. 42. Minnesota Statutes 2022, section 41A.12, subdivision 4, is amended to read:

Subd. 4. **Sunset.** This section expires on June 30, ~~2025~~ 2035.

Sec. 43. Minnesota Statutes 2022, section 41A.16, subdivision 1, is amended to read:

Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent of the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from the state border, biomass used to produce an advanced biofuel may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. The facility must be located in Minnesota, must begin production at a specific location on or before ~~April 1~~ June 30, 2023, and must not begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 1,500 MMbtu of advanced biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2023.

Sec. 44. Minnesota Statutes 2022, section 41A.16, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar, starch, oil, or animal fat at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMBtu of biofuel production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of, and the commissioner must pay, the difference between a claim for payment filed under subdivision 6 and the pro rata amount received:

(1) until the full amount of the original claim is paid; and

(2) subject to available money appropriated for the express purpose of paying claims not otherwise paid.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 45. Minnesota Statutes 2022, section 41A.17, subdivision 1, is amended to read:

Subdivision 1. **Eligibility for participants on or before April 1, 2023.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent of the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or less from the state border, biomass used to produce a renewable chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. The facility must be located in Minnesota, must begin production at a specific location on or before ~~April 1~~ June 30, 2023, and must not begin production of 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include existing

companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least 250,000 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2023.

Sec. 46. Minnesota Statutes 2022, section 41A.17, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments to eligible producers of renewable chemicals located in the state. The amount of the payment for each producer's annual production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific location for ten years after the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable chemical production. Total payments under this section to all eligible renewable chemical producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of renewable chemical production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of, and the commissioner must pay, the difference between a claim for payment filed under subdivision 5 and the pro rata amount received:

(1) until the full amount of the original claim is paid; and

(2) subject to available money appropriated for the express purpose of paying claims not otherwise paid.

(d) An eligible facility may blend renewable chemicals with other chemicals that are not renewable chemicals, but only the percentage attributable to renewable chemicals in the blended product is eligible to receive payment.

(e) For purposes of this section, an entity that holds a controlling interest in more than one renewable chemical production facility is considered a single eligible producer.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 47. Minnesota Statutes 2022, section 41A.18, subdivision 1, is amended to read:

Subdivision 1. ~~Eligibility for participants on or before April 1, 2023.~~ (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent of the biomass used for biomass thermal production, except that, if a facility is sited 50 miles or less from the state border, biomass used for biomass thermal production may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility, or from within Minnesota. Biomass must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location on or before ~~April 1~~ June 30, 2023, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 250 MMBtu of biomass thermal quarterly.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2023.

Sec. 48. Minnesota Statutes 2022, section 41A.18, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is \$5.00 per MMBtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMBtu of total thermal production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of, and the commissioner must pay, the difference between a claim for payment filed under subdivision 5 and the pro rata amount received:

(1) until the full amount of the original claim is paid; and

(2) subject to available money appropriated for the express purpose of paying claims not otherwise paid.

(d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass thermal production facility, but only the percentage attributable to biomass meeting the cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is eligible to receive payment.

(e) When a facility is eligible due to adding production capacity or retrofitting existing capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass thermal production from the added or retrofitted production capacity.

(f) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 49. Minnesota Statutes 2022, section 41A.19, is amended to read:

41A.19 REPORT; INCENTIVE PROGRAMS.

By January 15 each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, 41A.18, 41A.20, and 41A.21 to the legislative committees with jurisdiction over environment policy and finance and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs, as well as the following information that the commissioner must require of each producer who receives a payment during the reporting period:

- (1) the producer's business structure;
- (2) the name and address of the producer's parent company, if any;
- (3) a cumulative list of all financial assistance received from all public grantors for the project;
- (4) goals for the number of jobs created and progress in achieving these goals, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained;
- (5) equity hiring goals and progress in achieving these goals;
- (6) wage goals and progress in achieving these goals for all jobs created or maintained by the producer;
- (7) board member and executive compensation;
- (8) evidence of compliance with environmental permits;
- (9) the producer's intended and actual use of payments received from the commissioner; and
- (10) if applicable, the latest financial audit opinion statement produced by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

Sec. 50. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to read:

Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain buyer or public grain warehouse operator has failed to pay for delivered grain, breached a contract, breached more than one contract, or failed to redeliver stored grain to a producer.

Sec. 51. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged by a breach of a contract for the purchase of grain by a licensed grain buyer may file a written claim with the commissioner. The claim must state the facts constituting the claim. ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~ If a claim is valid, the commissioner may immediately suspend the license, in which case the

licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

Sec. 52. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter and chapter 232, the bond requirements and ~~claims actions~~ against the bond are governed under section ~~232.22, subdivision 6a~~ 223.24, subdivision 13.

Sec. 53. Minnesota Statutes 2022, section 223.175, is amended to read:

223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS; FORM.

A written confirmation required under section 223.177, subdivision 2, and a written voluntary extension of credit contract must include those items prescribed by the commissioner by rule. A contract shall include a statement of the legal and financial responsibilities of grain buyers and sellers established in this chapter. A contract shall also include the following statement in not less than ten point, all capital type, framed in a box with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT. THIS CONTRACT IS NOT COVERED BY ANY GRAIN BUYER'S BOND MAY NOT BE COVERED COMPLETELY BY THE GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath the statement. A transaction that does not meet the provisions of a voluntary extension of credit, including the issuance and signing of a voluntary extension of credit contract, is a cash sale.

Sec. 54. Minnesota Statutes 2022, section 223.19, is amended to read:

223.19 RULES.

The commissioner may make rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to ~~223.23~~ 223.24.

Sec. 55. **223.24] GRAIN INDEMNITY ACCOUNT.**

Subdivision 1. **Establishment.** The grain indemnity account is established under the direction and control of the commissioner of agriculture. The grain indemnity account shall consist of grain indemnity premiums, money from any other source, and interest.

Subd. 2. **Account; appropriation.** (a) A grain indemnity account is established in the agricultural fund. Money in the grain indemnity account, including interest, is appropriated to the commissioner to pay valid claims and to administer this section.

(b) The commissioner shall direct payments from the grain indemnity account only for the following purposes:

(1) the payment of valid claims;

(2) the payment of grain indemnity premium refunds;

(3) the payment of administrative expenses under paragraph (c);

(4) the payment of legal fees and legal expenses under subdivision 7; or

(5) the payment of a trustee appointed under subdivision 6.

(c) The commissioner shall allocate money from the grain indemnity account to a separate administrative expenses account to pay or reimburse the agency for grain indemnity account expenses. Administrative expenses under this paragraph include the actual cost of processing payments and refunds, enforcement, record keeping, ordinary management and investment fees connected with the operation of the grain indemnity account, and legal expenses.

Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from the commissioner if the producer sold grain to a grain buyer as defined in this chapter or stored grain with a public grain warehouse operator under chapter 232 and the producer is damaged by the grain buyer's or public grain warehouse operator's failure to pay for or redeliver grain.

Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file a completed claim with the commissioner. The producer must state the facts constituting the claim and all other information required by the commissioner.

(b) Upon receiving a claim, the commissioner must promptly determine the validity of the claim and notify the claimant of the commissioner's determination.

(c) An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding under chapter 14.

Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16, subdivision 3c, the commissioner must pay the eligible producer:

(1) the amount equal to the value of the grain sold on cash sale, grain assigned to warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

(2) the amount equal to the value of grain sold up to \$300,000, or the lesser of \$750,000 or 75 percent of the amount owed to the seller for a contract in excess of \$300,000 for a deferred or delayed payment contract for which a price has been established when the contract originated within 120 days of the breach of contract;

(3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary extension of credit contract for which no price has been established when the contract originated within 180 days of the breach of contract;

(4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary extension of credit contract when the open storage assignment or contract originated between 181 days and 18 months from the failure; or

(5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary extension of credit contract when the open storage assignment or contract originated between 19 months and 36 months from the failure.

(b) Claims filed more than 36 months from the failure are not eligible for payment.

(c) For the purposes of this subdivision, multiple breaches of contract with a single entity constitute one failure.

(d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter 223, and a license with the United States Department of Agriculture (USDA) under the United States Warehouse Act, a seller may only file a claim with the grain indemnity account if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The commissioner must deny any claims for stored grain from a seller that holds both a Minnesota grain buyer license and a license with the USDA under the United States Warehouse Act.

(e) If valid claims exceed the amount of money available in the grain indemnity account, the commissioner must pay claims to producers in the order that the claims were received. When additional money becomes available, the commissioner must resume issuing grain indemnity payments to each eligible producer until each producer receives the maximum amount payable under paragraph (a).

(f) If the grain indemnity account balance is insufficient to pay refunds under subdivision 11 and valid claims exist, once money is deposited into the grain indemnity account, the commissioner must issue pending refunds for grain indemnity premium payments before issuing payments to claimants.

Subd. 6. Court order. (a) The commissioner may apply to a district court for an order appointing a trustee or receiver to manage and supervise the operations of a grain buyer or public grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(b) The commissioner may recover the cost of the appointed trustee using money appropriated under subdivision 2.

Subd. 7. Debt obligation; subrogated claim. (a) Money paid by the commissioner to satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse operator in default. The commissioner may take action against the grain buyer or public grain warehouse operator to recover the amount of any claim payment plus reasonable costs, attorney fees, and interest computed at the rate provided in section 270C.40. The commissioner must deposit any amount recovered under this subdivision in the grain indemnity account.

(b) As a condition of payment from the commissioner, a producer must subrogate the producer's interest in a voluntary extension of credit contract to the commissioner in an amount equal to any claim payment or payments that the producer received under this section.

(c) The commissioner may recover any debt to the grain indemnity account from a member of the board or management who acted negligently or fraudulently.

Subd. 8. Grain indemnity premiums. (a) Except as provided in subdivision 10, producers of grain must be charged a grain indemnity premium as determined and published by the commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold to a grain buyer as defined in chapter 223.

(b) The grain indemnity premiums required under this section are in addition to any other fees or assessments required by law.

Subd. 9. Collection and submission of grain indemnity premiums. (a) Each producer must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in Minnesota. When grain is sold to a grain buyer, the grain buyer must deduct the grain indemnity premium from the proceeds of the sale and pay the grain indemnity premium to the commissioner on behalf of the producer.

(b) When purchasing grain from a producer, a grain buyer must deduct the grain indemnity premium described in paragraph (a) from the proceeds of the sale and notify the producer of the amount of the deduction in writing. The grain buyer must forward the grain indemnity premium to the commissioner for a deposit into the grain indemnity account on behalf of the producer as described in this subdivision.

(c) A grain buyer must clearly indicate the grain indemnity premiums collected under paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and records containing the grain indemnity premiums for at least three years. A grain buyer must make the grain buyer's books and records available for inspection by the commissioner during regular business hours. The department must take steps reasonably necessary to verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books and records. Any record or portion thereof seized or copied by the commissioner is private or nonpublic data as provided in section 13.02, except that the commissioner may disclose this data to aid in the law enforcement process.

(d) A grain buyer must submit grain indemnity premiums collected under paragraph (a) to the commissioner for the purpose of financing or contributing to the financing of the grain indemnity account by:

(1) January 31 for grain indemnity premiums collected during the months of July, August, September, October, November, and December; and

(2) July 31 for grain indemnity premiums collected during the months of January, February, March, April, May, and June.

Subd. 10. Amount in grain indemnity account; basis for suspension and reinstatement of grain indemnity premium collection. (a) The grain indemnity premiums required under subdivision 8 must be collected until the grain indemnity account contains more than \$15,000,000, as of June 30 of any given year.

(b) Except as provided in paragraph (c), after the grain indemnity account reaches \$15,000,000, the commissioner must not require the collection of additional grain indemnity premiums until the amount in the grain indemnity account drops below \$9,000,000. In a year when the commissioner determines that the grain indemnity account is at or below \$9,000,000, the commissioner may reinstate the collection described in this section.

(c) The commissioner shall announce the intention to collect the premiums described in this section by May 1 with collection to begin July 1 until the grain indemnity account contains at least \$15,000,000. The commissioner must notify the public of the commissioner's intent to reinstate collection of additional grain indemnity premiums through publication in the State Register and by notifying each licensee of the licensee's obligation to collect premiums.

Subd. 11. Grain indemnity refund; opt out. (a) Subject to subdivision 9, a producer that has paid a grain indemnity premium may receive a refund of that premium from the grain indemnity account by submitting a written demand for a refund to the commissioner, delivered personally or by first-class mail within 12 months after the producer paid the grain indemnity premium.

(b) A producer must submit a demand for a refund of a grain indemnity premium under paragraph (a) on a demand for refund form developed by the commissioner. The commissioner must make the form available to a licensee, producer, or member of the public upon request.

(c) If a producer is entitled to a refund of a grain indemnity premium under this section, the commissioner must pay the refund within 90 days of receiving the demand for a refund. If the grain indemnity account balance is insufficient to pay refunds under this subdivision and valid claims exist, once money is deposited into the grain indemnity account, the commissioner must issue pending refunds for grain indemnity premium payments before issuing payments to claimants.

(d) If the commissioner announces grain indemnity premiums as required under subdivision 10 by June 30, the commissioner must send a notice to each producer who requested a refund of a grain indemnity premium during the previous three fiscal years. The notice must inform the producer of the deadline for and method of submitting a demand for a refund to the commissioner under paragraphs (a) and (b) and the method for reentering the grain indemnity program under paragraph (e).

(e) A producer that receives a refund of a grain indemnity premium under paragraph (a) is not entitled to participate in the grain indemnity program or to receive any payment under this section unless the producer reenters the grain indemnity program by meeting all of the following conditions:

(1) the producer must submit a request for reentry into the grain indemnity program to the commissioner. The producer must submit the request on the form required by the commissioner and must deliver the request to the commissioner;

(2) the producer's request is approved by the commissioner; and

(3) the producer must pay into the grain indemnity account all grain indemnity premiums that were refunded to the producer and interest on the refunds as determined by the commissioner.

(f) A producer that reenters the grain indemnity program under paragraph (e) is eligible to be reimbursed for claims under the grain indemnity program for any breach of contract that occurs at least 120 days after reentry.

(g) A producer is not eligible for a refund of a grain indemnity premium under this section if the producer has received payment from the grain indemnity account for a valid claim within the preceding 36 months.

Subd. 12. Penalties; enforcement action; costs and expenses. (a) In addition to any other penalty or remedy provided by law, a person who knowingly or intentionally commits any of the following is subject to civil penalties under section 18J.10:

(1) refusing or failing to collect any grain indemnity premiums as required under this section;

(2) refusing or failing to pay to the commissioner any grain indemnity premiums collected under this section;

(3) making a false statement, representation, or certification, or knowingly failing to make a required statement, representation, or certification in a record, report, or other document required under this section or filed with the commissioner; or

(4) resisting, preventing, impeding, or interfering with the commissioner in the performance of the commissioner's duties under this section.

(b) In addition to the civil penalty described in paragraph (a), the commissioner in an enforcement action for a violation described in paragraph (a), clause (1) or (2), must order the grain buyer to pay into the grain indemnity account any grain indemnity premiums collected by the grain buyer that the grain buyer owes to the grain indemnity account and may order the grain buyer to pay interest on the amount that the grain buyer owes to the grain indemnity account.

Subd. 13. Grain bonds; new license holders. (a) Except as provided in paragraph (b), before the commissioner issues a grain buyer or public grain warehouse operator license, a person who has not been licensed to buy grain or operate a public grain warehouse in the previous licensing period must file with the commissioner a grain bond in a penal sum of \$100,000. A grain bond must remain in effect for the first three years of the license.

(b) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

(c) The commissioner may require a supplemental bond in an amount prescribed by the commissioner based on the financial statements required in section 223.17, subdivision 6.

(d) A grain bond must be on a form provided by the commissioner.

(e) A grain bond required under paragraphs (a) and (c) must provide for the payment of any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss caused by the grain buyer's failure to pay within the time required. The grain bond must be conditioned upon the grain buyer being duly licensed. A grain bond required under paragraphs (a) and (c) that is obtained by a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade, and net quantity of grain called for by the receipt. A grain bond must be conditioned upon the operator being duly licensed. For those entities licensed under this chapter, the entire grain bond must be available to any claims against the grain bond filed under this chapter.

(f) A grain bond must not be cumulative from one licensing period to the next. The maximum liability of the grain bond must be the grain bond's face value for the licensing period.

(g) A grain bond must be continuous until canceled. To cancel a grain bond, a surety must provide 90 days' written notice of the grain bond's termination date to the licensee and the commissioner.

(h) Upon the commissioner's determination that a claim is valid, the surety for any claims against the grain bond must make payments to the grain indemnity account.

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

Sec. 56. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

Subd. 5. **Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators must by February 15 of each year file with the commissioner on a form approved by the commissioner a report showing the annual average liability of all grain outstanding on grain warehouse receipts, open storage, and grain stored for feed processing that occurred during the preceding calendar year. This report shall be used for the purpose of establishing the penal sum of the bond.~~

~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum bond do not need to file this report.~~

~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file the report required in paragraph (a).~~

~~(d) (a) Every public grain warehouse operator shall keep in a place of safety complete and accurate records and accounts relating to any grain warehouse operated. The records shall reflect each commodity received and shipped daily, the balance remaining in the grain warehouse at the close of each business day, a listing of all unissued grain warehouse receipts in the operator's possession, a record of all grain warehouse receipts issued which remain outstanding and a record of all grain warehouse receipts which have been returned for cancellation. Copies of grain warehouse receipts or other documents evidencing ownership of grain by a depositor, or other liability of the grain warehouse operator, shall be retained as long as the liability exists but must be kept for a minimum of three years.~~

~~(e) (b) Every public grain warehouse operator must maintain in the grain warehouse at all times grain of proper grade and sufficient quantity to meet delivery obligations on all outstanding grain warehouse receipts.~~

Sec. 57. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

Sec. 58. **REPORT REQUIRED; FERAL PIGS AND MINK.**

By February 15, 2024, the commissioner of natural resources, in cooperation with the Board of Animal Health and the commissioners of agriculture and health, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment and natural resources that:

(1) identifies the responsibilities of the Board of Animal Health and the commissioners of natural resources, health, and agriculture in managing feral pigs and mink;

(2) recommends any clarifications or modifications to the responsibilities identified in clause (1); and

(3) includes policy recommendations for managing feral pigs and mink to further prevent negative impacts on the environment and human health.

Sec. 59. **REPORT REQUIRED; GRAIN ADVISORY GROUP.**

The commissioner of agriculture must convene members of the Grain Advisory Group and develop recommendations regarding bonding requirements for licensed grain buyers and public grain warehouse operators to better protect farmers who sell and store grain in this state. No later than February 1, 2024, the commissioner must report recommendations to the legislative committees with jurisdiction over agriculture. Participating stakeholders must be given an opportunity to include written testimony in the commissioner's report.

Sec. 60. **REPEALER.**

Subdivision 1. **Grain buyers and warehouses.** Minnesota Statutes 2022, sections 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.

Subd. 2. **Bioincentive programs.** Minnesota Statutes 2022, sections 41A.16, subdivision 7; 41A.17, subdivision 6; 41A.18, subdivision 6; and 41A.21, subdivision 6, are repealed.

Subd. 3. **Plants, nurseries, and hemp.** Minnesota Statutes 2022, sections 18H.02, subdivisions 21, 22, and 23; 18H.07, subdivisions 2 and 3; 18K.05; and 18K.09, are repealed.

Subd. 4. **Emerging farmers.** Minnesota Statutes 2022, section 17.055, subdivision 2, is repealed.

Subd. 5. **Federal funds.** Minnesota Statutes 2022, section 35.156, subdivision 2, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2023, except subdivision 1 is effective July 1, 2024.

ARTICLE 3
BROADBAND

Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$73,350,000</u>	<u>\$50,350,000</u>

(a) \$350,000 each year is for the Office of Broadband Development.

(b) \$75,000,000 the first year and \$50,000,000 the second year are for transfer to the border-to-border broadband fund account established in Minnesota Statutes, section 116J.396. Of the amount transferred each year, \$20,000,000 is for lower population density program grants under Minnesota Statutes, section 116J.3952. This is a onetime appropriation.

Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50 percent of the total cost of a project.

(b) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~ \$10,000,000.

Sec. 4. **[116J.3952] LOWER POPULATION DENSITY GRANT PROGRAM.**

Subdivision 1. **Establishment.** A lower population density grant program is established in the Department of Employment and Economic Development. The purpose of the lower population density grant program is to provide broadband service to unserved and underserved areas of the state where a 50 percent match formula is not adequate to make a business case for the extension of broadband facilities.

Subd. 2. **Grants.** Grants awarded under this section may fund up to 75 percent of the total cost of a project and must otherwise adhere to section 116J.395, subdivisions 1 to 6 and subdivision 7, paragraph (b).

Sec. 5. Minnesota Statutes 2022, 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 sections 116J.395 ~~and to 116J.3954~~ 116J.3952, including costs incurred by the Department of Employment and Economic Development to administer that section;

(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. 6. Laws 2022, chapter 95, article 4, section 2, is amended to read:

Sec. 2. **LOWER POPULATION DENSITY PILOT PROGRAM.**

(a) The commissioner of employment and economic development must establish a pilot program to provide broadband service to unserved and underserved areas, as defined in Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not adequate to make a business case for the extension of broadband facilities. Grants awarded under this section shall adhere to all other requirements of Minnesota Statutes, section 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project, notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a single project under this section may not exceed \$10,000,000.

(b) The commissioner of employment and economic development may use up to \$30,000,000 from the appropriations in sections 3 and 4 for the lower population density pilot program under paragraph (a).

(c) No later than December 31, 2023, the Office of Broadband Development must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over broadband policy and finance analyzing the impacts of this section on the number and amounts of grants awarded under Minnesota Statutes, section 116J.395.

(d) This section expires December 31, 2026."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; transferring money to the border-to-border broadband fund account; making policy and technical changes to agriculture provisions; modifying fees; creating accounts; requiring reports; providing civil penalties; appropriating money; amending Minnesota Statutes 2022, sections 17.055, subdivision 1, by adding subdivisions; 17.1016, subdivision 2; 17.116, subdivision 3; 17.133, subdivision 3; 18B.01, subdivision 2b, by adding a subdivision; 18B.051; 18B.055; 18C.425, subdivision 6; 18H.02, by adding a subdivision; 18H.03, subdivision 6; 18H.05; 18H.07, by adding subdivisions; 18H.08, subdivision 2; 18H.09; 18H.13, subdivision 3; 18H.15; 18K.04, subdivisions 1, 2; 18K.06; 25.39, subdivision 1; 28A.08, by adding a subdivision; 28A.082, subdivision 1; 28A.09, by adding a subdivision; 35.02, subdivision 1; 35.05; 41A.12, subdivision 4; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1, 2; 41A.18, subdivisions 1, 2; 41A.19; 116J.395, subdivision 7; 116J.396, subdivision 2; 223.16, by adding a subdivision; 223.17, subdivisions 7, 7a; 223.175; 223.19; 232.22, subdivision 5; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as amended; Laws 2022, chapter 95, article 2, section 29, subdivision 6; article 4, section 2; proposing coding for new law in Minnesota Statutes, chapters 17; 18B; 18K; 116J; 223; repealing Minnesota Statutes 2022, sections 17.055, subdivision 2; 18H.02, subdivisions 21, 22, 23; 18H.07, subdivisions 2, 3; 18K.05; 18K.09; 35.156, subdivision 2; 41A.16, subdivision 7; 41A.17, subdivision 6; 41A.18, subdivision 6; 41A.21, subdivision 6; 223.17, subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a, 7."

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

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 2335, A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; modifying various housing policy and finance provisions; expanding and establishing certain homeownership, manufactured home, and rent assistance programs; expanding requirements, uses, and amount of housing infrastructure bonds; establishing metropolitan region sales tax; establishing local affordable housing aid; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 82.75, subdivision 8; 327C.095, subdivisions 12, 13, 16; 462.357, subdivision 1; 462A.05, subdivision 14, by adding subdivisions; 462A.201, subdivision 2; 462A.2035, subdivision 1b; 462A.204, subdivisions 3, 8; 462A.21, subdivision 3b; 462A.22, subdivision 1; 462A.33, subdivision 2, by adding a subdivision; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, 5, by adding subdivisions; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 473.145; 500.20, subdivision 2a; Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 297A; 462A; 477A.

Reported the same back with the following amendments:

Page 44, line 13, delete everything after "rate."

Page 44, delete lines 14 and 15 and insert:

"The Metropolitan Council must impose a metropolitan region sales and use tax at a rate of 0.25 percent on retail sales made in the metropolitan area or to a destination in the metropolitan area."

Page 44, after line 24, insert:

"**EFFECTIVE DATE; APPLICATION.** This section is effective for sales and purchases made after June 30, 2023, and applies in the metropolitan area, as defined by Minnesota Statutes, section 473.121, subdivision 2."

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

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 2497, A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, literacy, American Indian education, teachers, charter schools, special education, facilities, nutrition, libraries, early childhood, community education, and state agencies; making forecast adjustments; providing for rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.32, subdivision 3; 120A.20, subdivision 1; 120A.22, subdivision 10; 120A.414, subdivision 2, by adding a subdivision; 120A.42; 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4, as amended, by adding a subdivision; 120B.022, subdivision 1; 120B.024, subdivisions 1, 2; 120B.11, subdivisions 1, 2, 3; 120B.12; 120B.122, subdivision 1; 120B.15; 120B.30, subdivisions 1, 1a; 120B.301; 120B.35, subdivision 3; 120B.36, subdivision 2; 121A.031, subdivision 6; 121A.04, subdivisions 1, 2; 121A.41, subdivision 7, by adding subdivisions; 121A.425; 121A.45, subdivision 1; 121A.46, subdivision 4, by adding a subdivision; 121A.47, subdivisions 2, 14; 121A.53, subdivision 1; 121A.55; 121A.58; 121A.582, subdivision 1; 121A.61, subdivisions 1, 3, by adding subdivisions; 122A.06, subdivisions 1, 2, 5, 6, 7, 8, by adding subdivisions; 122A.07, subdivisions 1, 2, 4, 4a, 5, 6; 122A.09, subdivisions 4, 6, 9, 10; 122A.091, subdivisions 1, 2; 122A.092, subdivision 5; 122A.15, subdivision 1; 122A.18, subdivisions 1, 2, 10, by adding a subdivision; 122A.181, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 122A.182, subdivisions 1, 4, by adding subdivisions; 122A.183, subdivisions 1, 2, by adding subdivisions; 122A.184, subdivision 1; 122A.185, subdivisions 1, 4; 122A.187, subdivisions 1, 5, by adding a subdivision; 122A.19, subdivision 4; 122A.26, subdivision 2; 122A.31, subdivision 1; 122A.40, subdivisions 3, 5, 8; 122A.41, subdivisions 2, 5, by adding a subdivision; 122A.415, subdivision 4; 122A.50; 122A.59; 122A.63, by adding a subdivision; 122A.635; 122A.69; 122A.70; 122A.73, subdivisions 2, 3, 5; 123B.147, subdivision 3; 123B.595, subdivisions 1, 2, 3, 4, 7, 8, 8a, 9, 10, 11; 123B.71, subdivisions 9, 12; 123B.86, subdivision 3; 123B.92, subdivision 1, by adding a subdivision; 124D.03, subdivisions 3, 5; 124D.09, subdivisions 3, 5, 12, 13; 124D.111, subdivisions 2a, 5; 124D.1158, as amended; 124D.119; 124D.128, subdivisions 1, 2; 124D.151, subdivision 6; 124D.20, subdivisions 3, 5; 124D.2211; 124D.231; 124D.42, subdivision 8; 124D.531, subdivisions 1, 4; 124D.55; 124D.56; 124D.59, subdivisions 2, 2a; 124D.65, subdivision 5; 124D.68, subdivisions 2, 3; 124D.73, by adding a subdivision; 124D.74, subdivisions 1, 3, 4, by adding a subdivision; 124D.76; 124D.78; 124D.79, subdivision 2; 124D.791, subdivision 4; 124D.81; 124D.861, subdivision 2; 124D.862, subdivision 8; 124D.98, by adding a subdivision; 124D.99, subdivision 2; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivisions 4, 7; 124E.06, subdivisions 1, 4, 5; 124E.10, subdivision 1; 124E.11; 124E.12, subdivision 1; 124E.13, subdivisions 1, 3; 124E.25, subdivision 1a; 125A.03; 125A.08; 125A.0942; 125A.13; 125A.15; 125A.51; 125A.515, subdivision 3; 125A.71, subdivision 1; 125A.76, subdivisions 2c, 2e, by adding a subdivision; 126C.05, subdivisions 1, 3, as amended, 19; 126C.10, subdivisions 2, 2a, 2d, 2e, 3, 4, 13, 13a, 14, 18a, by adding subdivisions; 126C.15, subdivisions 1, 2, 5; 126C.17, by adding a subdivision; 126C.40, subdivisions 1, 6; 126C.43, subdivision 2; 126C.44; 127A.353, subdivisions 2, 4; 134.31, subdivisions 1, 4a; 134.32, subdivision 4; 134.34, subdivision 1; 134.355, subdivisions 5, 6, 7; 144.4165; 179A.03, subdivisions 14, 18, 19; 256B.0625, subdivision 26; 268.085, subdivision 7; 290.0679, subdivision 2; Laws 2021,

First Special Session chapter 13, article 1, section 10, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, section 4, subdivisions 2, 3, 4, 12, 27; article 3, section 7, subdivision 7; article 5, section 3, subdivisions 2, 3, 4; article 7, section 2, subdivisions 2, 3; article 8, section 3, subdivisions 2, 3, 4; article 9, section 4, subdivisions 5, 6, 12; article 10, section 1, subdivisions 2, 8; article 11, section 4, subdivision 2; Laws 2023, chapter 18, section 4, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 124D; 125A; 127A; repealing Minnesota Statutes 2022, sections 120B.35, subdivision 5; 122A.06, subdivision 4; 122A.07, subdivision 2a; 122A.091, subdivisions 3, 6; 122A.18, subdivision 7c; 122A.182, subdivision 2; 124D.095, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 126C.05, subdivisions 3, 16; 268.085, subdivision 8; Minnesota Rules, part 8710.0500, subparts 8, 11.

Reported the same back with the following amendments:

Page 10, line 14, delete "\$647,000" and insert "\$672,000" and delete "\$696,000" and insert "\$706,500" and delete "\$732,000" and insert "\$743,000"

Page 14, line 2, delete "\$23,630" and insert "\$24,300"

Page 14, line 3, delete "\$23,490" and insert "\$24,060" and delete "\$23,490" and insert "\$24,055"

Page 27, line 17, delete "8,317,317,000" and insert "8,319,353,000"

Page 27, line 20, delete "\$7,503,872,000" and insert "\$7,505,908,000"

Page 115, line 18, delete "12,226,000" and insert "11,208,000"

Page 115, line 19, delete "12,226,000" and insert "11,208,000"

Page 115, line 26, delete everything after "2026" and insert "is \$8,154,000 and the base for fiscal year 2027 and later is \$8,155,000."

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

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 2887, A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; authorizing the sale and issuance of state bonds; modifying various policy and finance provisions; establishing metropolitan region sales and use tax; requiring Metropolitan Council to implement and enforce transit safety measures; authorizing administrative citations; establishing criminal penalties; establishing an advisory committee, a task force, and a working group; establishing pilot programs; requiring a study; requiring reports; transferring money; amending Minnesota Statutes 2022, sections 13.69, subdivision 1; 43A.17, by adding a subdivision; 151.37, subdivision 12; 161.088, subdivisions 1, 2, 4, 5, as amended, by adding subdivisions; 161.45, subdivisions 1, 2; 161.46, subdivision 2; 168.002, by adding a subdivision; 168.013, subdivision 1a; 168.326; 168.327, subdivisions 1, 2, 3, by adding a subdivision; 168.33, subdivision 7; 168.345, subdivision 2; 168.54, subdivision 5; 169.09, subdivision 13, by adding a subdivision; 169.14, by adding a subdivision; 169.345, subdivision 2; 169.475, subdivisions 2, 3; 171.01, by adding a subdivision; 171.06, subdivisions 2, 3, as amended, 7, by adding a subdivision; 171.061, subdivision 4; 171.0705, by adding a subdivision; 171.13, subdivisions 1, 1a; 171.26; 174.01, by adding a subdivision; 174.03, subdivision 1c;

174.634; 219.015, subdivision 2; 219.1651; 221.0269, by adding a subdivision; 222.37, subdivision 1; 256.9752, by adding a subdivision; 270C.15; 297A.61, subdivision 7; 297A.94; 297A.99, subdivision 1; 297A.993, by adding a subdivision; 297B.02, subdivision 1; 297B.09; 299A.01, by adding a subdivision; 299A.705, subdivision 1; 299D.03, subdivision 5; 357.021, subdivisions 6, 7; 473.146, subdivision 1, by adding a subdivision; 473.39, by adding a subdivision; 473.859, by adding a subdivision; 609.855, subdivisions 1, 3, 7, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, sections 2, subdivision 2; 4, subdivision 4; article 4, section 143; Laws 2022, chapter 39, section 2; proposing coding for new law in Minnesota Statutes, chapters 4; 160; 161; 168; 169; 171; 174; 297A; 473; proposing coding for new law as Minnesota Statutes, chapter 168E; repealing Minnesota Statutes 2022, sections 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; 168.345, subdivision 1; 299A.705, subdivision 2; 360.915, subdivision 5.

Reported the same back with the following amendments:

Page 7, delete line 12 and insert:

"(a) <u>Operations and Maintenance</u>	<u>415,052,000</u>	<u>425,393,000"</u>
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Page 7, delete lines 29 and 30 and insert:

"The base is \$425,423,000 in each of fiscal years 2026 and 2027."

Page 8, delete line 25 and insert:

"(2) <u>Program Delivery</u>	<u>273,008,000</u>	<u>273,985,000"</u>
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Page 9, delete line 24 and insert:

"(c) <u>State Road Construction</u>	<u>1,383,823,000</u>	<u>1,184,582,000"</u>
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Page 11, delete line 27 and insert:

"(e) <u>Highway Debt Service</u>	<u>266,661,000</u>	<u>283,662,000"</u>
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Page 11, line 28, delete "\$232,849,000" and insert "\$263,661,000"

Page 11, line 29, delete "\$278,064,000" and insert "\$280,662,000"

Page 12, delete line 26 and insert:

"(a) <u>County State-Aid Highways</u>	<u>915,425,000</u>	<u>998,087,000"</u>
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Page 13, delete line 20 and insert:

"(b) <u>Municipal State-Aid Streets</u>	<u>236,393,000</u>	<u>269,226,000"</u>
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Page 14, delete line 22 and insert:

"(2) <u>Small Cities Assistance</u>	<u>38,532,000</u>	<u>38,532,000"</u>
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Page 31, delete section 10 and insert:

"Sec. 10. **TRANSFERS; GENERAL FUND.**

Each of the following are transferred in fiscal year 2024 from the general fund to the commissioner of transportation:

(1) \$336,181,000 for deposit in the trunk highway fund; and

(2) \$38,410,000 for deposit in the small cities assistance account under Minnesota Statutes, section 162.145, subdivision 2."

Pages 47 to 49, delete sections 4 to 7 and insert:

"Sec. 4. **[168E.01] DEFINITIONS.**

Subdivision 1. **Scope.** As used in this chapter, the following terms have the meanings given.

Subd. 2. **Clothing.** "Clothing" has the meaning given in section 297A.67, subdivision 8.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of revenue.

Subd. 4. **Person.** "Person" has the meaning given in section 297A.61, subdivision 2.

Subd. 5. **Retail delivery.** "Retail delivery" means a retail sale by a retailer for delivery to a person located in Minnesota in which the sale contains at least one item of tangible personal property that is subject to taxation under chapter 297A, including the retail sale of clothing notwithstanding the exemption from taxation for clothing under chapter 297A.

Subd. 6. **Retail delivery fee.** "Retail delivery fee" means the fee imposed under section 168E.03 on retail deliveries.

Subd. 7. **Retail sale.** "Retail sale" has the meaning given in section 297A.61, subdivision 4.

Subd. 8. **Retailer.** "Retailer" means any person making sales, leases, or rental of personal property or services within or into the state of Minnesota that is required to remit the tax imposed under chapter 297A. Retailer includes a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 9. **Tangible personal property.** "Tangible personal property" has the meaning given in section 297A.61, subdivision 10.

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

Sec. 5. **[168E.03] FEE IMPOSED.**

Subdivision 1. **Rate.** (a) A retail delivery fee equal to 75 cents shall be imposed on all retail deliveries. Retailers may collect the retail delivery fee from the purchaser.

(b) Retailers must remit the fee to the commissioner in the time and manner prescribed by the commissioner in accordance with this chapter.

(c) The retail delivery fee must not be included in the sales price for purposes of calculating tax owed under chapter 297A.

(d) If the retailer collects the fee from the purchaser:

(1) the retail delivery fee must be charged in addition to any other delivery fee; and

(2) the retailer must show the total of the retail delivery fee and other delivery fees as separate items and distinct from the sales price and any other taxes or fees imposed on the retail delivery on the purchaser's receipt, invoice, or other bill of sale.

Subd. 2. **Delivery.** Each retail sale is a single retail delivery regardless of the number of shipments necessary to deliver the items of tangible personal property purchased.

Subd. 3. **Returns and cancellations.** A retail delivery fee is nonrefundable if the purchaser returns any or all items purchased to a retailer. The fee must be refunded to the purchaser if the retail delivery is canceled by the purchaser, retailer, or delivery provider.

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

Sec. 6. **[168E.05] EXEMPTIONS.**

Subdivision 1. **Certain transactions.** The following retail deliveries are exempt from the fee imposed by this chapter:

(1) a retail delivery that includes only tangible personal property that is exempt from taxation under chapter 297A, except tangible personal property that is exempt as clothing under chapter 297A; and

(2) a retail delivery on a motor vehicle for which a permit issued by the commissioner of transportation or a road authority is required under chapter 169 or 221.

Subd. 2. **Certain entities.** (a) A purchaser who is exempt from tax under chapter 297A is exempt from the retail delivery fee.

(b) A retailer is exempt from collecting, reporting, and remitting the retail delivery fee if in the previous calendar year the retailer made retail sales of \$1,000,000 or less.

(c) A marketplace provider is exempt from collecting, reporting, and remitting the retail delivery fee when facilitating the sale of a retailer that in the previous calendar year made retail sales through the marketplace provider of \$100,000 or less.

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

Sec. 7. **[168E.07] COLLECTION AND ADMINISTRATION.**

Subdivision 1. **Returns; payment of fees.** (a) A retailer must report the fee on a return prescribed by the commissioner and must remit the fee with the return. The return and fee must be filed and paid using the filing cycle and due dates provided for taxes imposed under chapter 297A.

Subd. 2. **Collection and remittance.** A retailer that collects the fee from the purchaser must collect the fee in the same manner as the tax collected under chapter 297A. A retailer using a third-party entity to collect and remit the tax imposed under chapter 297A may elect to have that third-party entity collect and remit the fee imposed under this chapter.

Subd. 3. **Administration.** Unless specifically provided otherwise by this chapter, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A, that are applicable to taxes imposed under chapter 297A, apply to the fee imposed under this chapter.

Subd. 4. **Interest on overpayments.** The commissioner must pay interest on an overpayment refunded or credited to the retailer from the date of payment of the fee until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the fee, whichever is later.

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 50, line 1, delete "44" and insert "33"

Page 50, line 2, delete "15" and insert "18"

Page 50, line 3, delete "ten" and insert "12"

Page 50, line 4, delete "20" and insert "24"

Page 50, line 6, delete "ten" and insert "12"

Adjust amounts accordingly

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

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Agbaje introduced:

H. F. No. 3205, A bill for an act relating to capital investment; appropriating money for a grant to Turning Point.

The bill was read for the first time and referred to the Committee on Capital Investment.

Smith introduced:

H. F. No. 3206, A bill for an act relating to health; requiring the commissioner of health to establish a program to monitor and assess the impact of long COVID; making appropriations for community health workers, pandemic delayed preventative care, and long COVID; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Sencer-Mura and Feist introduced:

H. F. No. 3207, A bill for an act relating to capital investment; appropriating money for a grant to Agate Housing and Services for a shelter in Hennepin County.

The bill was read for the first time and referred to the Committee on Capital Investment.

Hortman introduced:

H. F. No. 3208, A bill for an act relating to arts and cultural heritage; appropriating money for documenting Vietnam War personal and historical accounts.

The bill was read for the first time and referred to the Committee on Legacy Finance.

REPORTS FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long 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 Wednesday, April 12, 2023 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 1999, 2073 and 1126.

Long 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, April 13, 2023 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 1019, 463, 3 and 2204.

MOTIONS AND RESOLUTIONS

Freiberg moved that the name of Stephenson be added as an author on H. F. No. 236. The motion prevailed.

Lislegard moved that the name of Freiberg be added as an author on H. F. No. 300. The motion prevailed.

Becker-Finn moved that the name of Smith be added as an author on H. F. No. 396. The motion prevailed.

Her moved that the name of Smith be added as an author on H. F. No. 601. The motion prevailed.

Baker moved that the name of Bierman be added as an author on H. F. No. 615. The motion prevailed.

Reyer moved that the name of Hudson be added as an author on H. F. No. 735. The motion prevailed.

Hicks moved that the name of Cha be added as an author on H. F. No. 816. The motion prevailed.

Hanson, J., moved that the name of Freiberg be added as an author on H. F. No. 1225. The motion prevailed.

Edelson moved that the name of Bierman be added as an author on H. F. No. 1279. The motion prevailed.

Hanson, J., moved that the name of Freiberg be added as an author on H. F. No. 1619. The motion prevailed.

Elkins moved that the name of Anderson, P. E., be added as an author on H. F. No. 1717. The motion prevailed.

Liebling moved that the name of Freiberg be added as an author on H. F. No. 1752. The motion prevailed.

Wolgamott moved that the name of Zeleznikar be added as an author on H. F. No. 1816. The motion prevailed.

Hanson, J., moved that the name of Freiberg be added as an author on H. F. No. 1961. The motion prevailed.

Acomb moved that the names of Freiberg and Feist be added as authors on H. F. No. 1973. The motion prevailed.

Skraba moved that his name be stricken as an author on H. F. No. 1999. The motion prevailed.

Lillie moved that the name of Fischer be shown as chief author on H. F. No. 2266. The motion prevailed.

Hassan moved that the name of Stephenson be added as an author on H. F. No. 2276. The motion prevailed.

Greenman moved that the name of Feist be added as an author on H. F. No. 2336. The motion prevailed.

Fischer moved that the names of Freiberg and Her be added as authors on H. F. No. 2389. The motion prevailed.

Acomb moved that the name of Freiberg be added as an author on H. F. No. 2398. The motion prevailed.

Norris moved that the name of Hussein be added as an author on H. F. No. 2614. The motion prevailed.

Reyer moved that the name of Moller be added as an author on H. F. No. 2846. The motion prevailed.

Heintzeman moved that the name of Franson be added as an author on H. F. No. 2931. The motion prevailed.

Wiens moved that the name of Engen be added as an author on H. F. No. 3187. The motion prevailed.

Pinto moved that H. F. No. 2292 be recalled from the Committee on Education Finance and be re-referred to the Committee on Ways and Means. The motion prevailed.

WRITTEN DEMAND PURSUANT TO RULE 4.31
FOR THE IMMEDIATE RETURN OF H. F. NO. 1809

Pursuant to rule 4.31, Demuth presented a written demand to the Speaker on Tuesday, April 11, 2023 for the immediate return to the House of H. F. No. 1809 from the Committee on Health Finance and Policy, be given its second reading and be placed on the General Register. The initial request was printed in the Journal of the House for Thursday, March 30, 2023.

SECOND READING OF HOUSE BILLS

H. F. No. 1809 was read for the second time.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:30 p.m., Wednesday, April 12, 2023. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Wednesday, April 12, 2023.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

