

STATE OF MINNESOTA

NINETY-THIRD SESSION — 2024

ONE HUNDRED THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 18, 2024

The House of Representatives convened at 3:30 p.m. and was called to order by Melissa Hortman, Speaker of the House.

Prayer was offered by the Reverend Dan Erickson, Chisholm Baptist Church, Chisholm, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davids	Harder	Knudsen	Nelson, M.	Schomacker
Agbaje	Davis	Hassan	Koegel	Nelson, N.	Schultz
Altendorf	Demuth	Heintzeman	Kotyza-Witthuhn	Niska	Scott
Anderson, P. E.	Dotseth	Hemmingsen-Jaeger	Kozlowski	Noor	Sencer-Mura
Anderson, P. H.	Edelson	Her	Koznick	Norris	Skraba
Backer	Elkins	Hicks	Kraft	Novotny	Smith
Bahner	Engen	Hill	Kresha	O'Driscoll	Stephenson
Bakeberg	Feist	Hollins	Lawrence	Olson, B.	Swedzinski
Baker	Finke	Hornstein	Lee, F.	Olson, L.	Tabke
Becker-Finn	Fischer	Howard	Lee, K.	Pelowski	Torkelson
Bennett	Fogelman	Hudella	Liebling	Pérez-Vega	Vang
Berg	Franson	Hudson	Lillie	Perryman	Virmig
Bierman	Frazier	Huot	Lislegard	Petersburg	West
Bliss	Frederick	Hussein	Long	Pfarr	Wiener
Brand	Freiberg	Igo	McDonald	Pinto	Wiens
Burkel	Garofalo	Jacob	Mekeland	Pryor	Witte
Carroll	Gillman	Johnson	Moller	Pursell	Wolgamott
Cha	Gomez	Jordan	Mueller	Quam	Xiong
Clardy	Greenman	Joy	Murphy	Rarick	Youakim
Coulter	Grossell	Keeler	Myers	Rehm	Zelevnikar
Curran	Hansen, R.	Kiel	Nadeau	Reyer	Spk. Hortman
Daniels	Hanson, J.	Klevorn	Nash	Robbins	

A quorum was present.

Neu Brindley, Newton 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.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 15, 2024

The Honorable Melissa Hortman
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Hortman:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 3377, relating to natural resources; appropriating money from environment and natural resources trust fund; modifying previous appropriations.

H. F. No. 3437, relating to transportation; designating the Michael Gau Memorial Bridge over U.S. Highway 169 on Hennepin County State-Aid Highway 9 in the city of Plymouth.

H. F. No. 4483, relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions.

Sincerely,

TIM WALZ
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2024 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2024</i>	<i>Date Filed 2024</i>
	3377	83	9:52 a.m. April 15	April 15
	3437	84	9:53 a.m. April 15	April 15
	4483	85	9:54 a.m. April 15	April 15

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 2257, A bill for an act relating to consumer data privacy; creating the Minnesota Age-Appropriate Design Code Act; placing obligations on certain businesses regarding children's consumer information; providing for enforcement by the attorney general; proposing coding for new law in Minnesota Statutes, chapter 13; proposing coding for new law as Minnesota Statutes, chapter 325O.

Reported the same back with the recommendation that 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. 8, H. F. No. 2257 was re-referred to the Committee on Rules and Legislative Administration.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3276, A bill for an act relating to elections; providing for ranked choice voting; authorizing jurisdictions to adopt ranked choice voting for local offices; establishing procedures for adoption, implementation, and use of ranked choice voting for local jurisdictions; allowing local jurisdictions to use electronic voting systems with a reallocation feature; authorizing rulemaking; amending Minnesota Statutes 2022, sections 204B.35, subdivision 1; 204C.21, by adding a subdivision; 204D.07, subdivision 3; 205.13, subdivision 2; 206.57, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 206.83; proposing coding for new law in Minnesota Statutes, chapter 206; proposing coding for new law as Minnesota Statutes, chapter 204E.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3689, A bill for an act relating to child protection; adding a requirement for an out-of-home placement plan summary; amending Minnesota Statutes 2022, section 260C.212, subdivision 1.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4010, A bill for an act relating to local government; establishing requirements for multifamily residential developments in cities; proposing coding for new law in Minnesota Statutes, chapter 462.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Lillie from the Committee on Legacy Finance to which was referred:

H. F. No. 4124, A bill for an act relating to legacy; appropriating money from outdoor heritage fund.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
OUTDOOR HERITAGE FUND

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "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. The appropriations in this article are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **OUTDOOR HERITAGE FUND**

Subdivision 1. **Total Appropriation**

\$0

\$192,711,000

This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Prairies**-0-****19,439,000****(a) Northern Tallgrass Prairie National Wildlife Refuge, Phase 14**

\$4,412,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee or permanent conservation easements and restore and enhance lands within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(b) Accelerating Wildlife Management Area Program, Phase 16

\$5,315,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(c) Prairie Chicken Habitat Partnership of Southern Red River Valley, Phase 10

\$3,794,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and restore and enhance lands within the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(d) Martin County DNR WMA Acquisition, Phase 8

\$2,589,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and to restore and enhance strategic prairie grassland, wetland, and other wildlife habitat within Martin County for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, as follows: \$1,921,000 to Fox Lake Conservation League, Inc.; \$613,000 to Ducks Unlimited; and \$55,000 to the Conservation Fund.

(e) DNR Grassland Enhancement, Phase 16

\$1,427,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas in wildlife management areas, in scientific and natural areas, in aquatic management areas, on lands in the native prairie bank, in bluff prairies on state forest land in southeastern Minnesota, and in waterfowl production areas and refuge lands of the United States Fish and Wildlife Service.

(f) Enhanced Public Land - Grasslands, Phase 7

\$1,902,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore grassland and wetland habitat on public lands within the forest prairie transition, metro urban, and prairie ecoregions of Minnesota.

Subd. 3. Forests-0-32,164,000**(a) Minnesota Heritage Forest - Transition to Public Ownership Program**

\$22,647,000 the second year is to the commissioner of natural resources to acquire priority forest habitat lands in fee as wildlife management areas, scientific and natural areas, state forests, and county forests. Of this amount, \$11,737,000 is for an agreement with Northern Waters Land Trust.

(b) Camp Ripley Sentinel Landscape Protection Program ACUB, Phase 12

\$2,068,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and restore and enhance forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Sentinel Landscape and Army Compatible Use Buffer. Up to \$110,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(c) Riparian Habitat Protection in Kettle and Snake River Watersheds, Phase 2

\$1,569,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Pine County Soil and Water Conservation District, to acquire permanent conservation

easements to protect high-quality forests, wetlands, and shoreline within the Kettle and Snake River watersheds. Up to \$150,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(d) DNR Forest Habitat Enhancement, Phase 4

\$1,727,000 the second year is to the commissioner of natural resources to restore and enhance forest wildlife habitats on public lands throughout Minnesota.

(e) Young Forest Conservation, Phase 4

\$2,229,000 the second year is to the commissioner of natural resources for an agreement with the American Bird Conservancy to enhance publicly owned, permanently protected forest lands for wildlife management.

(f) Floodplain and Upland Forest Enhancement - Mississippi River, Phase 5

\$1,924,000 the second year is to the commissioner of natural resources for an agreement with the National Audubon Society to restore and enhance floodplain and upland forest habitat for wildlife on public lands along the Mississippi River and Mississippi River tributaries.

Subd. 4. Wetlands

-0-

38,412,000

(a) Wild-Rice Shoreland Protection, Phase 9

\$2,042,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements on wild-rice lake shoreland habitat for native wild-rice bed protection. Of this amount, up to \$110,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(b) Shallow Lake and Wetland Protection and Restoration Program, Phase 13

\$7,670,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes.

section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas or national wildlife refuges in Minnesota, in cooperation with the United States Fish and Wildlife Service, and to restore and enhance prairie lands, wetlands, and land buffering shallow lakes.

(c) RIM Wetlands - Restoring Most Productive Habitat in Minnesota, Phase 13

\$3,202,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$50,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(d) Accelerating Waterfowl Production Area Acquisition Program, Phase 16

\$7,020,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee and restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota.

(e) DNR Accelerated Shallow Lakes and Wetland Enhancement, Phase 16

\$3,809,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide.

(f) Nelson Slough - East Park Wildlife Management Area

\$4,174,000 the second year is to the commissioner of natural resources for an agreement with the Middle-Snake-Tamarac Rivers Watershed District to restore and enhance wetland and upland wildlife habitat on Nelson Slough and East Park Wildlife Management Area in Marshall County, Minnesota.

(g) Wetland Habitat Protection and Restoration Program, Phase 9

\$2,128,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to restore and enhance prairie, wetland, and other habitat on permanently protected conservation easements in high-priority wetland habitat complexes within the prairie, forest/prairie transition, and forest ecoregions.

(h) Living Shallow Lakes and Wetlands Enhancement and Restoration Initiative, Phase 10

\$7,867,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easement for wildlife management.

(i) Lake Alice Enhancement, Fergus Falls

\$500,000 the second year is to the commissioner of natural resources for an agreement with the city of Fergus Falls to enhance Lake Alice in Fergus Falls.

Subd. 5. Habitats

-0-

101,294,000

(a) St. Croix Watershed Habitat Protection and Restoration, Phase 5

\$4,711,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and acquire permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River watershed as follows: \$1,905,000 to Trust for Public Land; \$110,000 to Wild Rivers Conservancy; and \$2,696,000 to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(b) Pine and Leech Watershed Targeted RIM Easement Permanent Land Protection, Phase 3

\$2,242,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Crow Wing County Soil and Water Conservation District, to acquire permanent conservation easements of high-quality forest, wetland, and shoreline habitat. Up to \$120,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(c) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase 3

\$3,321,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, \$1,083,000 is to the Northern Waters

Land Trust and \$2,238,000 is to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(d) Shell Rock River Watershed Habitat Restoration Program, Phase 13

\$2,060,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee and restore and enhance habitat in the Shell Rock River watershed.

(e) Cannon River Watershed Habitat Restoration and Protection Program, Phase 13

\$2,555,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and restore and enhance wildlife habitat in the Cannon River watershed as follows: \$54,000 to Clean River Partners; \$888,000 to Great River Greening; and \$1,613,000 to Trust for Public Land.

(f) Mississippi Headwaters Habitat Corridor Project, Phase 8

\$2,706,000 the second year is to acquire lands in fee and permanent conservation easements and to restore wildlife habitat in the Mississippi headwaters. Of this amount:

(1) \$1,706,000 is to the commissioner of natural resources for agreements as follows: \$57,000 to the Mississippi Headwaters Board and \$1,649,000 to Trust for Public Land; and

(2) \$1,000,000 is to the Board of Water and Soil Resources, of which up to \$100,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(g) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes, Phase 10

\$2,687,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and in permanent conservation easements and to restore and enhance wildlife habitat to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties as follows: \$2,252,000 to Northern Waters Land Trust and \$435,000 to Minnesota Land Trust. Up to \$56,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(h) Red River Basin Riparian Habitat Program

\$5,119,000 the second year is to acquire permanent conservation easements to protect, restore, and enhance stream and riparian habitat throughout the Red River watershed. Of this amount, \$169,000 is to the commissioner of natural resources for an agreement with the Red River Watershed Management Board and \$4,950,000 is to the Board of Water and Soil Resources. Up to \$380,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(i) Resilient Habitat for Heritage Brook Trout, Phase 2

\$2,486,000 the second year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance habitat in targeted watersheds of southeast Minnesota to improve heritage brook trout and coldwater aquatic communities. Of this amount, \$400,000 is to The Nature Conservancy, \$612,000 is to Trout Unlimited, and \$1,474,000 is to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(j) Southeast Minnesota Protection and Restoration, Phase 12

\$3,052,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance wildlife habitat on public lands and permanent conservation easements in southeast Minnesota as follows: \$970,000 to The Nature Conservancy, \$964,000 to Trust for Public Land, and \$1,118,000 to Minnesota Land Trust. Up to \$112,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(k) Lower Wild Rice River Corridor Habitat Restoration, Phase 4

\$2,345,000 the second year is to acquire land in permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. Of this amount, \$30,000 is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District and \$2,315,000 is to the Board of Water and Soil Resources. The Board of Water and Soil Resources may use up to \$60,000 for establishing a monitoring and enforcement

fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(l) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase 16

\$1,359,000 the second year is to the commissioner of natural resources to acquire in fee and restore and enhance lands for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(m) Accelerating Habitat Conservation in Southwest Minnesota, Phase 3

\$2,872,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance high-quality wildlife habitat in southwest Minnesota. Of this amount, up to \$168,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(n) Sauk River Watershed Habitat Protection and Restoration, Phase 5

\$3,965,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and restore and enhance wildlife habitat in the Sauk River watershed as follows: \$375,000 to Great River Greening; \$1,199,000 to Sauk River Watershed District; \$1,192,000 to Pheasants Forever; and \$1,199,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(o) Metro Big Rivers, Phase 14

\$8,123,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries within the metropolitan area as follows:

\$1,250,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$420,000 to Friends of the Mississippi River; \$803,000 to Great River Greening; \$2,750,000 to Trust for Public Land; and \$2,900,000 to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(p) Anoka Sand Plain Habitat Conservation, Phase 9

\$1,802,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wildlife habitat on public lands and easements in the Anoka Sand Plain ecoregion and intersecting minor watersheds as follows: \$1,508,000 to Great River Greening and \$294,000 to Sherburne County.

(q) DNR Aquatic Habitat Restoration and Enhancement, Phase 7

\$4,206,000 the second year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage.

(r) Minnesota Statewide Trout Habitat Enhancement

\$2,308,000 the second year is to the commissioner of natural resources for an agreement with Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams throughout Minnesota.

(s) Knife River Habitat Rehabilitation, Phase 7

\$1,572,000 the second year is to the commissioner of natural resources for an agreement with the Arrowhead Regional Development Commission, in cooperation with the Lake Superior Steelhead Association, to restore and enhance trout habitat in the Knife River watershed.

(t) DNR St. Louis River Restoration Initiative, Phase 11

\$2,163,000 the second year is to the commissioner of natural resources to restore and enhance priority aquatic, riparian, and forest habitats in the St. Louis River estuary. Of this amount, \$716,000 is for an agreement with Minnesota Land Trust.

(u) Roseau Lake Rehabilitation, Phase 2

\$3,054,000 the second year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance the Roseau Lake and Roseau River habitat complex in Roseau County, Minnesota.

(v) Highbanks Ravine Bat Hibernaculum

\$2,300,000 the second year is to the commissioner of natural resources for an agreement with the city of St. Cloud to enhance the Highbanks Ravine Bat Hibernaculum in St. Cloud.

(w) Owámmiyomni Native Landscape and River Restoration, St. Anthony Falls

\$1,918,000 the second year is to the commissioner of natural resources for an agreement with Friends of the Falls to restore and enhance wildlife habitat at Upper St. Anthony Falls. This appropriation may only be spent for site grading, oak savanna, and aquatic habitat portions of the project.

(x) Silver Lake Dam Fish Passage Modification

\$2,368,000 the second year is to the commissioner of natural resources for an agreement with the city of Rochester to restore and enhance aquatic habitat in Silver Lake and the south fork of the Zumbro River by modifying the existing low-head dam in Rochester.

(y) Little Devil Track River Restoration

\$3,000,000 the second year is to the commissioner of natural resources for an agreement with Cook County to restore and enhance stream habitat in the Little Devil Track River.

(z) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat, Phase 16

\$15,000,000 the second year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$500,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Unless there are not enough eligible grant applications received, of this amount, at least \$4,000,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more and at least \$4,000,000 is for grants to applicants that have not previously applied for money from the outdoor heritage fund. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$1,000,000. Of the total appropriation, \$600,000 may be spent for personnel costs, outreach, and support to first-time applicants and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must

require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat projects. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2027. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient completes a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

(aa) Protecting Upper Mississippi River from Invasive Carp

\$12,000,000 the second year is to the commissioner of natural resources to fund activities to protect the upper Mississippi River from invasive carp. Activities within this appropriation include agreements with federal partners, such as the United States Fish and Wildlife Service, to design, construct, and begin operating and maintaining a structural deterrent for invasive carp at Lock and Dam No. 5 on the Mississippi River to protect Minnesota's aquatic habitat through an adaptive management approach. Deterrent design must be fully completed within two years of the date of this appropriation. Deterrent installation must be completed by June 30, 2029. Money not spent or obligated for design installation and operation of the deterrent may be used for testing technologies to support the future effectiveness of the deterrent. A detailed accomplishment plan must be submitted to and approved by the Lessard-Sams Outdoor Heritage Council before money is released. This appropriation is available until June 30, 2029.

Subd. 6. Administration

-0-

1,402,000

(a) Contract Management

\$350,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the

form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan. Money appropriated in this paragraph is available until June 30, 2026.

(b) Technical Evaluation Panel

\$160,000 the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 25 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10. Money appropriated in this paragraph is available until June 30, 2026.

(c) Core Functions in Partner-led OHF Land Acquisitions

\$892,000 the second year is to the commissioner of natural resources for administering the initial development, restoration, and enhancement of land acquired in fee with money appropriated from the outdoor heritage fund. This appropriation may be used for land acquisition costs incurred by the department in conveying parcels to the department and for initial development activities on fee title acquisitions. Money appropriated in this paragraph is available until June 30, 2032.

Subd. 7. Availability of Appropriation

(a) Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

(b) Money appropriated in this section is available as follows:

(1) money appropriated for acquiring real property is available until June 30, 2028;

(2) money appropriated for restoring and enhancing land acquired with an appropriation in this section is available for four years after the acquisition date with a maximum end date of June 30, 2032;

(3) money appropriated for restoring or enhancing other land is available until June 30, 2029;

(4) notwithstanding clauses (1) to (3), money appropriated for a project that receives at least 15 percent of its funding from federal funds is available until a date sufficient to match the availability of federal funding to a maximum of six years if the federal funding was confirmed and included in the original approved draft accomplishment plan; and

(5) money appropriated for other projects is available until the end of the fiscal year in which it is appropriated.

Subd. 8. Payment Conditions and Capital Equipment Expenditures

(a) All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2024, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice or binding agreement with a landowner and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash-flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

(b) Unless otherwise provided, no money appropriated from the outdoor heritage fund in this article may be used to acquire, restore, or enhance any real property unless the specific acquisition, restoration, or enhancement is approved as part of the accomplishment plan on the parcel list.

Subd. 9. Mapping

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor

Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. Carryforward

(a) The availability of the following appropriations is extended to June 30, 2025:

(1) Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (f), Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase XI; and

(2) Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (j), Shell Rock River Watershed Habitat Restoration Program - Phase VIII.

(b) The availability of the appropriation in Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 4, paragraph (g), Big Rice Lake Wild Rice Enhancement, is extended to June 30, 2026.

(c) The availability of the appropriation in Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (o), Restoring Upper Mississippi River at Lake Pepin, is extended to June 30, 2028.

**ARTICLE 2
CLEAN WATER FUND**

Section 1. CLEAN WATER FUND APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. These are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. CLEAN WATER FUND

Subdivision 1. Total Appropriation

<u>\$-0-</u>	<u>\$25,426,000</u>
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This appropriation is from the clean water fund. The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. Availability of Appropriation

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Disability Access

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

Subd. 4. Increasing Diversity in Environmental Careers

Agencies should work to provide opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this article.

Sec. 3. DEPARTMENT OF AGRICULTURE**\$-0-****\$4,402,000**

(a) \$1,000,000 the second year is for monitoring and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended practices; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities, including research activities at the Rosholt Research Farm; and other actions to protect groundwater from degradation from nitrate. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 3, paragraph (b), and is available until June 30, 2028.

(b) \$3,402,000 the second year is for the agriculture best management practices loan program for loans for water-quality-related projects. Of this amount, \$3,000,000 is for projects in southeast Minnesota. Any unencumbered balance at the end of the second year must be added to the corpus of the loan fund. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 3, paragraph (c).

Sec. 4. **POLLUTION CONTROL AGENCY****\$-0-****\$5,326,000**

(a) \$326,000 the second year is for completing needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (a).

(b) \$2,000,000 the second year is for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (f). Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this paragraph are available until June 30, 2028.

(c) \$1,000,000 the second year is for activities and grants that reduce chloride pollution. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (g).

(d) \$2,000,000 the second year is to purchase and install nitrate sensors to develop a continuous nitrate-monitoring network to monitor watershed and basin pour points where elevated loads of nitrate have been measured historically.

Sec. 5. **DEPARTMENT OF NATURAL RESOURCES****\$-0-****\$90,000**

\$90,000 the second year is for assessing mercury and other fish contaminants, including PFAS compounds, and monitoring to track the status of impaired waters over time. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 5, paragraph (c).

Sec. 6. **BOARD OF WATER AND SOIL RESOURCES****\$-0-****\$11,434,000**

(a) \$4,434,000 the second year is for a working-lands floodplain program and to purchase, restore, or preserve riparian land and floodplains adjacent to lakes, rivers, streams, and tributaries, by conservation easements or contracts to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase protection and recharge for groundwater. Up to \$225,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (f).

(b) \$4,000,000 the second year is to purchase permanent conservation easements to protect lands adjacent to public waters that have good water quality but that are threatened with degradation. Up to \$160,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (k).

(c) \$2,000,000 the second year is for developing and implementing a water legacy grant program to expand partnerships for clean water. Of this amount, \$500,000 is for grants to watershed districts to reduce the costs to landowners for green infrastructure projects, including rain gardens, permeable pavement, rainwater harvesting and reuse, and other clean water practices. Priority must be given to projects in low-income and high-pollution areas. Watershed districts may partner with local community groups, nonprofit organizations, and other interested parties to perform the work and provide outreach to communities. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (m).

(d) \$1,000,000 the second year is to provide support to soil and water conservation districts and other local governments and partner organizations in the Lake Superior basin to leverage Great Lakes Restoration Initiative or other federal Great Lakes funding to implement prioritized activities.

(e) The board must require grantees to specify the outcomes that will be achieved by the grants.

(f) The appropriations in this section are available until June 30, 2028, except grant or easement funds are available for five years after the date a grant or other agreement is executed. Returned grant funds must be regranted consistent with the purposes of this section.

Sec. 7. **DEPARTMENT OF HEALTH**

\$-0-

\$3,174,000

(a) \$384,000 the second year is for developing health-risk limits for contaminants found or anticipated to be found in Minnesota drinking water, to certify private laboratories to conduct analyses for these contaminants, and to increase the capacity of the department's laboratory to analyze for these contaminants. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 7, paragraph (a).

(b) \$2,790,000 the second year is for managing a voluntary program in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona Counties to conduct an inventory of private

wells, provide testing for nitrates, develop education and outreach for private well owners and users, and develop a dashboard to communicate testing results and report on progress.

(c) Unless otherwise specified, the appropriations in this section are available until June 30, 2027.

Sec. 8. **UNIVERSITY OF MINNESOTA**

\$-0-

\$1,000,000

\$1,000,000 the second year is for a program to evaluate performance and technology transfer for stormwater best management practices; to evaluate best management performance and effectiveness to support meeting total maximum daily loads; to develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model; and to implement a system to transfer knowledge and technology across local government, industry, and regulatory sectors. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 9, paragraph (b), and is available until June 30, 2030.

ARTICLE 3
PARKS AND TRAILS FUND

Section 1. Laws 2023, chapter 40, article 3, section 2, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation**

\$72,155,000

**\$ ~~64,455,000~~
73,563,000**

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

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

Sec. 2. Laws 2023, chapter 40, article 3, section 3, is amended to read:

Sec. 3. **DEPARTMENT OF NATURAL RESOURCES**

\$43,580,000

**\$ ~~38,931,000~~
44,396,000**

(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$29,167,000 the second year are for state parks, recreation areas, and trails to:

- (1) connect people to the outdoors;
- (2) acquire land and create opportunities;
- (3) maintain existing holdings; and
- (4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) The commissioner may spend money appropriated under paragraph (a) on I Can! programs, including but not limited to programs designed to provide underserved youth and youth who identify as lesbian, gay, bisexual, transgender, and queer the opportunity to experience the outdoors with similar peers.

(c) \$14,286,000 the first year and ~~\$12,762,000~~ \$14,584,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants awarded under this paragraph must be based on the lists of recommended projects submitted to the legislative committees under Minnesota Statutes, section 85.536, subdivision 10, from the Greater Minnesota Regional Parks and Trails Commission established under Minnesota Statutes, section 85.536. Grants funded under this paragraph must support parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the *Greater Minnesota Regional Parks and Trails Strategic Plan* adopted by the Greater Minnesota Regional Parks and Trails Commission on ~~April 22, 2015~~ March 24, 2021. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, \$475,000 the first year and \$475,000 the second year are for the Greater Minnesota Regional Parks and Trails Commission to carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for regional parks and trails outside the seven-county metropolitan area.

(d) By January 15, 2024, the Greater Minnesota Regional Parks and Trails Commission must submit a list of projects that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2025 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(e) By January 15, 2024, the Greater Minnesota Regional Parks and Trails Commission must submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(f) \$722,000 the first year and \$645,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks

and Trails Commission; enhanced web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

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

(h) Grant recipients of an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

(i) In addition to the requirements under paragraph (g), the commissioner should work to provide other opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this section.

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

Sec. 3. Laws 2023, chapter 40, article 3, section 4, is amended to read:

Sec. 4. **METROPOLITAN COUNCIL**

\$28,572,000

**\$ ~~25,524,000~~
29,167,000**

(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$28,735,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under ~~this section~~ paragraph (a) and distributed to implementing agencies must be used only to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing agencies. Projects funded by the money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts approved by each elected body. Any money remaining after completing the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) \$182,000 the second year is for competitive grants to implementing agencies to provide free or reduced-cost equipment and facility rentals to youth and low-income users, including but not limited to watercraft, skis, bikes, golf clubs, and green fees.

(d) \$250,000 the second year is for competitive grants to implementing agencies for predesign, design, construction, and improvement of fishing piers within the metropolitan regional parks and trails system.

(⇌) (e) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the money is used to supplement and not substitute for traditional sources of funding.

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

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

Sec. 4. **PARKS AND TRAILS FUND APPROPRIATION EXTENSIONS.**

Subdivision 1. **Bluffs Traverse Trail; city of Winona.** The availability of the grant to the city of Winona for the Bluffs Traverse Trail project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2026.

Subd. 2. **Jay C. Hormel Nature Center; city of Austin.** The availability of the grant to the city of Austin for the Jay C. Hormel Nature Center project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

Subd. 3. **Hole in the Mountain Park; Lincoln County.** The availability of the grant to Lincoln County for the Hole in the Mountain Park project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

Subd. 4. **Alexander Ramsey Park; city of Redwood Falls.** The availability of the grant to the city of Redwood Falls for the Alexander Ramsey Park project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

Subd. 5. **Coordination among partners.** The appropriations from the parks and trails fund under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (e), are available until June 30, 2026.

ARTICLE 4

ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15, except that any unencumbered balance remaining under this article from the first year does not cancel but is available in the second year. The figures "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, and June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. All appropriations in this article are onetime.

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

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

Subdivision 1. **Total Appropriation**

\$-0-

\$12,209,000

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

Subd. 2. **Availability of Appropriation**

Money appropriated in this article must not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. Water and energy conservation technology and the use of renewable energy should be priorities for construction and building projects funded through this appropriation. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Minnesota State Arts Board**

-0-

5,738,000

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

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

\$4,590,000 the second year is to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to

overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (b).

(c) Arts Education

\$861,000 the second year is for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (c).

(d) Arts and Cultural Heritage

\$287,000 the second year is for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (d).

(e) Administrative Costs

Up to five percent of the totals in paragraphs (b) to (d) each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability in fiscal year 2025.

(f) Regional Arts Councils

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

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

Subd. 4. Minnesota Historical Society

-0-

1,612,000

(a) The amounts in this subdivision are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that this money is used to supplement and not substitute for traditional sources of funding. Money directly appropriated to the Minnesota Historical Society

must be used to supplement and not substitute for traditional sources of funding. The appropriations in this subdivision are onetime and are available until June 30, 2026. Any unencumbered balance remaining under this subdivision in the first year does not cancel but is available for the second year.

(b) Grants

(1) \$50,000 the second year is for a grant to the Greater Litchfield Opera House Association to repair and update the Litchfield Opera House;

(2) \$287,000 the second year is for a grant to the Dakota County Historical Society to design and build exhibits at the Lawshe Memorial Museum;

(3) \$500,000 the second year is for a grant to the Pullman Company for costs related to preserving Minnesota's historic Justus Ramsey Stone House and relocating it to the Jackson Street Roundhouse property owned and operated by the Minnesota Transportation Museum;

(4) \$300,000 the second year is for statewide historic and cultural grants to cultural community organizations, historical organizations, and veterans organizations for activities to commemorate 50 years of Southeast Asians in Minnesota. Money under this paragraph must be distributed through a competitive grant process. The Minnesota Historical Society must administer the grants using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii);

(5) \$200,000 the second year is for activities to prepare and coordinate community commemoration programs celebrating 50 years of Hmong Americans in Minnesota and the arrival of the first Hmong family in Minnesota in October 1975; and

(6) \$275,000 the second year is for a grant to the Minnesota Military and Veterans Museum at Camp Ripley for the restoration, relocation, and interpretation of the USS Ward Number Three Gun and World War II display.

Subd. 5. Department of Administration

-0-

450,000

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

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

(c) Berger Fountain Renovation

\$200,000 the second year is for a grant to the Minneapolis Park and Recreation Board to restore Berger Fountain at Loring Park and for improvements to the surrounding plaza.

(d) Veterans Memorial and Commemorations

\$100,000 the second year is for a competitive grant program to award grants for groups celebrating, recognizing, and honoring the sacrifices of those who served in the military, including memorials, commemorations, facilities, and park features.

Of this amount, \$30,000 is for a grant to the VFW Post 5252 in Pelican Rapids for the relocation of their Honor Wall, and \$15,000 is for a grant to Clitherall Township for the Clitherall Township Veterans Memorial in Battle Lake for improvements to the grounds.

(e) Supportive Arts Grants

\$150,000 the second year is for a competitive grant program to nonprofit organizations to provide supportive arts programs to incarcerated persons and persons on supervised release. The commissioner must consult with the commissioner of corrections in awarding grants under this section. Grants must use the arts, including but not limited to visual art, poetry, literature, theater, dance, and music, to address the supportive, therapeutic, and rehabilitative needs of incarcerated persons and persons on supervised release and promote a safer correctional facility and community environment.

Subd. 6. Minnesota Humanities Center

-0-

4,409,000

(a) The amounts in this subdivision are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this subdivision. The Minnesota Humanities Center may use up to 5.5 percent of the appropriations to administer this money and to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to issue the grants under this subdivision and must submit the plan for review and approval by the commissioner of administration. The written plan must require the Minnesota Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1). Grants provided under this subdivision are available until June 30, 2026.

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

(b) Community Identity and Heritage Grant Program; Administration and Capacity-Building Grants; Festival Grants

(1) \$214,000 the second year is for outreach and education on the grant programs in this subdivision, with a focus on reaching diverse community organizations and providing assistance with grant opportunities, qualifications, and reporting requirements and specifically providing technical assistance and a nontraditional application process to improve access to grant funding for diverse communities.

(2) \$2,000,000 the second year is for a competitive grant program to provide grants to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of diverse Minnesota communities, including but not limited to Asian and Pacific Island communities, the Somali diaspora and other African immigrant communities, Indigenous communities with a focus on the 11 Tribes in Minnesota, the African American community, the Latinx community, the LGBTQIA+ community, and other underrepresented cultural groups, including communities of Black, Indigenous, and people of color, to celebrate the cultural diversity of Minnesota. An individual or organization that receives a grant under this clause must do at least one of the following:

- (i) preserve and honor the cultural heritage of Minnesota;
- (ii) provide education and student outreach on cultural diversity;
- (iii) support the development of culturally diverse humanities programming, including arts programming, by individuals and organizations; or
- (iv) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

(3) Of the amount in clause (2), \$1,000,000 must be used for grants for community events, music and jazz festivals, cultural festivals for art installations, music, and other performances and activities that support festivals and events. Funding under this clause must not go to parades. Amounts not awarded under this clause may be used for the purposes provided in clause (2).

(4) Of the amount in clause (3):

(i) \$150,000 is for a grant to an organization to celebrate Minnesota's historical, cultural, and artistic heritage to provide boxes of essentials to mothers in the state. The organization must consult with the commissioner of health to develop and distribute the boxes;

(ii) \$100,000 is for a grant to (Neo)Muralismos de Mexico to expand classes and support artists; and

(iii) \$100,000 is for a grant to a nonprofit organization that can support and facilitate the art and music of Rondo Days.

(c) Underrepresented Groups Cultural Studies Materials

\$250,000 the second year is for competitive grants to develop high-quality academic cultural and ethnic studies materials for communities that do not have adequate cultural and ethnic studies materials or who are underrepresented in those materials, including but not limited to the Hmong, Karen, Somali, and Oromo cultures, and cultures without a formal writing system and that are largely oral-based. In developing these materials, a recipient of a grant under this paragraph must work with school districts that intend to use the materials.

(d) Urban Debate League

\$250,000 the second year is for a grant to the Minnesota Urban Debate League to expand the Minnesota Urban Debate League program to serve additional school districts throughout Minnesota.

(e) Monkeybear

\$100,000 the second year is for a grant to the Monkeybear's Harmolodic Workshop for developing creative and technical skills in contemporary puppetry.

(f) Indigenous Roots Cultural Arts Center and Cypher Side

\$300,000 the second year is for a grant to Indigenous Roots Cultural Arts Center to partner with Cypher Side to provide dance and other arts programming.

(g) Hrvatski Dom Croatian Hall

\$195,000 the second year is for a grant to the Hrvatski Dom Croatian Hall in South St. Paul for restoring and operating the hall for community gatherings and to preserve the history and cultural heritage of Croatian immigrants in Minnesota.

(h) Saint Paul Neighborhood Network (SPNN)

\$100,000 the second year is for a grant to Saint Paul Neighborhood Network in St. Paul for a grant to support their programs in cinematography, lighting, and editing; storytelling; documentary filmmaking; and other artistic programming.

(i) Arts and Music Education; ACH Learners Grants

\$1,000,000 the second year is for grants to organizations to offer scholarships to underserved youth and adults to pursue music, including singing, band, and orchestral instruments; creative writing; studio arts, including traditional craft and folk arts; and performing arts, including dance and theater, throughout the state. Priority for grants distributed in this paragraph must be given to:

(1) programs that have matching funding or existing resources to help facilitate group or individual lessons in the arts;

(2) high-quality arts programming that helps provide students with access to experienced teachers, musicians, and artists;

(3) programs that will provide scholarships to low-income and diverse communities that have been underserved by traditional arts funding;

(4) programs that are partnering with, or plan to partner with, public schools and community organizations to help reach students from diverse backgrounds;

(5) programs that can offer scholarships to existing high-quality arts programming, including camps, schools, and centers devoted to teaching any of the artistic scholarships; and

(6) programs that offer outreach and transportation services, as well as on-site services, to help communities gain access to and use the scholarships awarded in this paragraph."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying and extending prior appropriations; amending Laws 2023, chapter 40, article 3, sections 2, subdivision 1; 3; 4."

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

The report was adopted.

Howard from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 4194, A bill for an act relating to housing; expanding eligible uses of housing infrastructure bonds; authorizing the issuance of additional housing infrastructure bonds; amending Minnesota Statutes 2022, section 462A.37, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 462A.37, subdivisions 1, 2, 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. Laws 2023, chapter 37, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$792,098,000	\$ 273,298,000 <u>223,298,000</u>
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(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Sec. 2. Laws 2023, chapter 37, article 1, section 2, subdivision 17, is amended to read:

Subd. 17. Housing Infrastructure	100,000,000	100,000,000 <u>60,000,000</u>
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This appropriation is for the housing infrastructure program for the eligible purposes under Minnesota Statutes, section 462A.37, subdivision 2. This is a onetime appropriation.

Sec. 3. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

Subd. 29. Community Stabilization	45,000,000	45,000,000 <u>35,000,000</u>
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This appropriation is for the community stabilization program. This a onetime appropriation. Of this amount, \$10,000,000 is for a grant to AEON for Huntington Place.

Sec. 4. **APPROPRIATION; MINNESOTA HOUSING FINANCE AGENCY.**

\$59,255,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of the Minnesota Housing Finance Agency. This appropriation is onetime and in addition to amounts appropriated in 2023. This appropriation is for transfer to the housing development fund. Of this amount:

(1) \$50,000,000 is for the housing affordability preservation investment program;

(2) \$8,885,000 is for the family homelessness prevention and assistance program under Minnesota Statutes, section 462A.204. Notwithstanding Minnesota Statutes, section 16C.06, \$943,000 of this appropriation is allocated to federally recognized American Indian Tribes located in Minnesota. Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees;

(3) \$270,000 is for administering the requirements of article 2, sections 18 and 43 to 46; and

(4) \$100,000 is for a grant to the Amherst H. Wilder Foundation for the Minnesota homeless study.

Sec. 5. **APPROPRIATION; MINNESOTA MANAGEMENT AND BUDGET.**

\$200,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of Minnesota Management and Budget for management analysis and development to facilitate the working group on common interest communities and homeowners associations established in article 3. This is a onetime appropriation.

Sec. 6. **APPROPRIATION; SUPREME COURT.**

\$545,000 in fiscal year 2025 is appropriated from the general fund to the supreme court for the implementation of Laws 2023, chapter 52, article 19, section 120, as amended in article 3, section 3. This is a onetime appropriation and is available until June 30, 2026.

ARTICLE 2
HOUSING POLICY

Section 1. Minnesota Statutes 2022, section 15.082, is amended to read:

15.082 OBLIGATIONS OF PUBLIC CORPORATIONS.

Notwithstanding any other law, the state is not liable for obligations of a public corporation created by statute. Upon dissolution of the public corporation, its wholly owned assets become state property. Partially owned assets become state property to the extent that state money was used to acquire them.

This section does not apply to a public corporation governed by chapter 119 or section 469.0121.

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

Sec. 2. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

Subd. 10. **Energy conservation decarbonization and climate resilience.** It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and persons of low and moderate income in particular. These conditions are adverse to the health, welfare, and safety of all of the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by all citizens of the state, while giving preference to low and moderate income people, to assist in the installation in their dwellings of reasonably priced energy conserving systems including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency ~~of, clean energy, greenhouse gas emissions reduction, climate resiliency, and other qualified projects~~ for all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 3. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to read:

Subd. 2a. **Distressed building.** "Distressed building" means an existing rental housing building:

(1) in which the units are restricted to households at or below 60 percent of the area median income; and

(2) that:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes.

Sec. 4. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to read:

Subd. 6a. **Recapitalization.** "Recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance, security services, property insurance, reasonably necessary capital improvements, funding of reserves for supportive services, and property operations. Recapitalization may include reimbursement to a nonprofit sponsor or owner for expenditures that would have otherwise qualified for recapitalization.

Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 3b, is amended to read:

Subd. 3b. **Refinancing mortgages.** The agency may make loans for recapitalization or to refinance the existing indebtedness, of owners of rental property, secured by federally assisted housing for the purpose of obtaining agreement of the owner to participate in the federally assisted rental housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. For purposes of this subdivision, "federally assisted rental housing" includes housing that is:

(1) subject to a project-based housing or rental assistance payment contract funded by the federal government;

(2) financed by the Rural Housing Service of the United States Department of Agriculture under section 515 of the Housing Act of 1949, as amended; or

(3) financed under section 236; section 221(d)(3) below market interest rate program; section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.

Sec. 6. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination

with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy ~~conservation-related improvements~~ decarbonization, climate resiliency, and other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or fewer dwelling units, one of which is occupied by the owner.

Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. Rehabilitation may include replacement of manufactured homes. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency ~~of, clean energy, greenhouse gas emissions reductions, climate resiliency, and other qualified projects in~~ the dwelling. No loan for rehabilitation of owner-occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments.

Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy ~~conservation rehabilitation measures~~ decarbonization, climate resiliency, and other qualified projects for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking; chimney construction or improvement; furnace or space heater repair, cleaning or replacement; central air conditioner installation, repair, maintenance, or replacement; air source or geothermal heat pump installation, repair, maintenance, or replacement; insulation; windows and doors; and structural or other directly related repairs or installations essential for energy ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Loans under this subdivision or subdivision 14 may:

- (1) be integrated with a utility's on-bill repayment program approved under section 216B.241, subdivision 5d; and
- (2) also be made for the installation of on-site solar energy or energy storage systems.

Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 504B.425, paragraph (d). No grant shall be made unless the agency determines that the grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy ~~conservation related improvements~~ decarbonization, climate resiliency, or other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering this provision, establish codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any grant shall not exceed the lesser of (a) \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without spending an unreasonable portion of the income of the person or family thereon. In making grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required.

(b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing under this subdivision to persons of low and moderate income for the purpose of qualifying as foster parents.

Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

Subd. 15b. **Energy ~~conservation~~ decarbonization and climate resiliency grants.** (a) It may make grants to assist in energy ~~conservation rehabilitation measures~~ decarbonization, climate resiliency, and other qualified projects for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. The grant to any household shall not exceed \$2,000.

(b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate resiliency grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

Sec. 11. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization, climate resiliency, and other qualified projects necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 12. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter-occupied homes or apartments that do not comply with standards set forth in section 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption, that will decarbonize, and that will ensure the climate resiliency of housing.

Sec. 13. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended to read:

Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

Sec. 14. **[462A.051] WAGE THEFT PREVENTION AND USE OF RESPONSIBLE CONTRACTORS.**

Subdivision 1. **Application.** This section applies to all forms of financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation of federal low-income housing credits, for the development, construction, rehabilitation, renovation, or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance.

Subd. 2. Disclosures. An applicant for financial assistance under this chapter shall disclose in the application any conviction, court judgment, agency determination, legal settlement, ongoing criminal or civil investigation, or lawsuit involving alleged violations of sections 177.24, 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14, 181.722, 181.723, 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19), or United States Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising or occurring within the preceding five years on a construction project owned or managed by the developer or owner of the proposed project, the intended general contractor for the proposed project, or any of their respective parent companies, subsidiaries, or other affiliated companies. An applicant for financial assistance shall make the disclosures required by this subdivision available within 14 calendar days to any member of the public who submits a request by mail or electronic correspondence. The applicant shall designate a public information officer who will serve as a point of contact for public inquiries.

Subd. 3. Responsible contractors required. As a condition of receiving financial assistance, the applicant shall verify that every contractor or subcontractor of any tier performing work on the proposed project meets the minimum criteria to be a responsible contractor under section 16C.285, subdivision 3. This verification must meet the criteria defined in section 16C.285, subdivision 4.

Subd. 4. Certified contractor lists. As a condition of receiving financial assistance, the applicant shall have available at the development site main office a list of every contractor and subcontractor of any tier that performs work or is expected to perform work on the proposed project, as described in section 16C.285, subdivision 5, including the following information for each contractor and subcontractor: business name, scope of work, Department of Labor and Industry registration number, business name of the entity contracting its services, business telephone number and email address, and actual or anticipated number of workers on the project. The applicant shall establish the initial contractor list 30 days before the start of construction and shall update the list each month thereafter until construction is complete. The applicant shall post the contractor list in a conspicuous location at the project site and make the contractor list available to members of the public upon request.

Subd. 5. Wage theft remedy. If any contractor or subcontractor of any tier is found to have failed to pay statutorily required wages under section 609.52, subdivision 1, clause (13), on a project receiving financial assistance or an allocation of federal low-income housing tax credits from or through the agency, the recipient is responsible for correcting the violation.

Subd. 6. Wage theft prevention plans; disqualification. (a) If any contractor or subcontractor of any tier fails to pay statutorily required wages on a project receiving financial assistance from or through the agency as determined by an enforcement entity, the recipient must have a wage theft prevention plan to be eligible for further financial assistance from the agency. The project developer's wage theft prevention plan must describe detailed measures that the project developer and its general contractor have taken and are committed to take to prevent wage theft on the project, including provisions in any construction contracts and subcontracts on the project. The plan must be submitted to the Department of Labor and Industry who will review the plan. The Department of Labor and Industry may require the project developer to amend the plan or adopt policies or protocols in the plan. Once approved by the Department of Labor and Industry, the wage theft prevention plan must be submitted by the project developer to the agency with any subsequent application for financial assistance from the agency. Such wage theft prevention plans shall be made available to members of the public by the agency upon request.

(b) A developer is disqualified from receiving financial assistance from or through the agency for three years if any of the developer's contractors or subcontractors of any tier are found by an enforcement agency to have, within three years after entering into a wage theft prevention plan under paragraph (a), failed to pay statutorily required wages on a project receiving financial assistance from or through the agency for a total underpayment of \$25,000 or more.

Subd. 7. **Enforcement.** The agency may deny an application for financial assistance that does not comply with this section or if the applicant refuses to enter into the agreements required by this section. The agency may withhold financial assistance that has been previously approved if the agency determines that the applicant has engaged in unacceptable practices by failing to comply with this section until the violation is cured.

EFFECTIVE DATE. This section is effective for financial assistance provided after August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply to requests for proposals that were initiated prior to August 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote efficiency in program administration, underwriting, and compliance, the commissioner may adjust income or rent limits for any multifamily capital funding program authorized under state law to align with federal rent or income limits in sections 42 and 142 of the Internal Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt from the rulemaking requirements of chapter 14.

Sec. 16. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 19. **Eligibility for agency programs.** The agency may determine that a household or project unit meets the rent or income requirements for a program if the household or unit receives or participates in income-based state or federal public assistance benefits, including but not limited to:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

(3) housing support under chapter 256I;

(4) Minnesota family investment program and diversionary work program under chapter 256J; and

(5) economic assistance programs under chapter 256P.

Sec. 17. Minnesota Statutes 2022, section 462A.202, subdivision 3a, is amended to read:

Subd. 3a. **Permanent rental housing.** The agency may make loans, with or without interest, to cities and counties to finance the construction, acquisition, or rehabilitation of affordable, permanent, publicly owned rental housing, including housing owned by a public corporation created pursuant to section 469.0121. Loans made under this subdivision are subject to the restrictions of subdivision 7. In making loans under this subdivision, the agency shall give priority to projects that increase the supply of affordable family housing.

Sec. 18. **[462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL ASSISTANCE NEEDS.**

The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and Tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.

Sec. 19. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate income persons who own existing residential housing for the purpose of improving the ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted improvements shall include installation or upgrading of ceiling, wall, floor and duct insulation, storm windows and doors, and caulking and weatherstripping. The improvements shall not be inconsistent with the energy standards as promulgated as part of the State Building Code; provided that the improvements need not bring the housing into full compliance with the energy standards. Any loan for such purpose shall be made only upon determination by the agency that such loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions. The agency may promulgate rules as necessary to implement and make specific the provisions of this subdivision. The rules shall be designed to permit the state, to the extent not inconsistent with this chapter, to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and other qualified projects.

Sec. 20. Minnesota Statutes 2022, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. **Family rental housing.** It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 80 percent of state median income, or to provide grants for the operating cost of public housing. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans, grants, and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the recapitalization or rehabilitation of existing housing under this subdivision.

Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$5,000,000,000~~ \$7,000,000,000.

Sec. 22. Minnesota Statutes 2022, section 462A.222, is amended by adding a subdivision to read:

Subd. 5. **Limitation on rental increases.** (a) This subdivision applies to any project that is restricted to seniors, as defined by section 462A.37, subdivision 1, paragraph (h), and that receives low-income housing tax credits provided under section 42 of the Internal Revenue Code of 1986, as amended. The rent in a project may not increase in any 12-month period by a percentage more than the greater of:

(1) the percentage that benefit amounts for Social Security or Supplemental Security Income recipients were increased pursuant to United States Code, title 42, sections 415(i) and 1382f, in the preceding 12-month period; or

(2) zero percent.

(b) This subdivision does not apply to projects owned by a nonprofit entity or to a unit occupied by an individual receiving ongoing government-subsidized rental assistance.

Sec. 23. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund. Money in the fund is appropriated to the agency for these purposes and ~~to the commissioner of management and budget to pay costs incurred by the commissioner of management and budget to administer the fund.~~

Sec. 24. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, recapitalization, and rehabilitation of supportive housing where at least 50 percent of units are set aside for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing or for affordable home ownership and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, recapitalization, or new construction of senior housing;

(6) to finance the costs of acquisition, rehabilitation, recapitalization, and replacement of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs;

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing; ~~and~~

(8) to finance the costs of construction, acquisition, recapitalization, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size;

(9) to finance the recapitalization of a distressed building; and

(10) to finance the costs of construction, acquisition, recapitalization, rehabilitation, conversion, and development of cooperatively owned housing created under chapter 308A or 308B that is affordable to low- and moderate-income households.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

(4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

(d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.

(f) If a loan recipient uses the loan for new construction or substantial rehabilitation as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at least one accessible unit as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by the agency from meeting other applicable accessibility requirements.

Sec. 25. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2i, the agency may issue up to \$50,000,000.

Sec. 26. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

⊕ (k) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 27. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible project area" means a home rule charter or statutory city located outside of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside a metropolitan county as defined in section 473.121, subdivision 4;~~ federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and may include rental developments that have a portion of income-restricted units.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 28. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and loans to be used for multifamily and single family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition or removal of existing structures; construction financing; permanent financing; interest rate reduction; and refinancing.

(b) The agency may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions, including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

~~(c) The agency shall separately set aside:~~

~~(1) at least ten percent of the financing under this section for housing units located in a township or city with a population of 2,500 or less that is located outside the metropolitan area, as defined in section 473.121, subdivision 2;~~

~~(2) at least 35 percent of the financing under this section for housing for persons and families whose income is 50 percent or less of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and~~

~~(3) at least 25 percent of the financing under this section for single family housing.~~

~~(d) If by September 1 of each year the agency does not receive requests to use all of the amounts set aside under paragraph (c), the agency may use any remaining financing for other projects eligible under this section.~~

Sec. 29. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means ~~an individual who~~:

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used ~~and is using that housing as their domicile~~;

(3) an individual who meets the following criteria:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(4) an individual who meets the following criteria:

(i) the individual directly owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(1) made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(3) meets the following criteria:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be disqualified either individually or in combination with one or more members of the taxpayer's family, as defined in the Internal Revenue Code, section 267(e)(4). For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this paragraph subdivision apply collectively to the taxpayer and spouse. For purposes of determining the ownership interest of a taxpayer under paragraph (a), clause (4), the rules under sections 267(e) and 267(e) of the Internal Revenue Code apply.~~

(e) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

(f) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian tribe or subdivision located in Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

(g) ~~Except for the set aside provided in subdivision 2, paragraph (d),~~ Eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

Sec. 30. Minnesota Statutes 2022, section 462C.02, subdivision 6, is amended to read:

Subd. 6. **City.** "City" means any statutory or home rule charter city, a county housing and redevelopment authority created by special law or authorized by its county to exercise its powers pursuant to section 469.004, or any public body which (a) is the housing and redevelopment authority in and for a statutory or home rule charter city, the port authority of a statutory or home rule charter city, ~~or~~ an economic development authority of a city established under sections 469.090 to 469.108, or a public corporation created pursuant to section 469.0121, and (b) is authorized by ordinance to exercise, on behalf of a statutory or home rule charter city, the powers conferred by sections 462C.01 to 462C.10.

Sec. 31. Minnesota Statutes 2022, section 469.012, subdivision 2j, is amended to read:

Subd. 2j. **May be in LLP, LLC, or corporation; bound as if HRA.** (a) An authority may become a member or shareholder in and enter into or form limited partnerships, limited liability companies, or corporations for the purpose of developing, constructing, rehabilitating, managing, supporting, or preserving housing projects and housing development projects, including low-income housing tax credit projects. These limited partnerships,

limited liability companies, or corporations are subject to all of the provisions of sections 469.001 to 469.047 and other laws that apply to housing and redevelopment authorities, as if the limited partnership, limited liability company, or corporation were a housing and redevelopment authority.

(b) An authority may create a public corporation in accordance with section 469.0121 for the purpose of purchasing, owning, and operating real property converted through the federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

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

Sec. 32. [469.0121] PUBLIC CORPORATION; RENTAL ASSISTANCE DEMONSTRATION PROGRAM.

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

(b) "Authority" has the meaning given under section 469.002, subdivision 2.

(c) "Board" means the board of directors of a corporation created under this section.

(d) "Corporation" means a public corporation created under this section.

(e) "RAD" means the federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

Subd. 2. Public corporation created. An authority may create a public corporation to purchase, own, and operate real property that has been converted through RAD to preserve and improve public housing properties. A public corporation created under this section is also a political subdivision of the state and is limited to the powers in this section.

Subd. 3. Corporation powers. (a) The corporation has the following general powers:

(1) to have succession until dissolved by law;

(2) to sue and be sued in its corporate name;

(3) to adopt, alter, and use a corporate seal which shall be judicially noticed;

(4) to accept, hold, and administer gifts and bequests of money, securities, or other personal property of whatsoever character, absolutely or in trust, for the purposes for which the corporation is created. Unless otherwise restricted by the terms of the gift or bequest, the corporation is authorized to sell, exchange, or otherwise dispose of and to invest or reinvest in such investments as it may determine from time to time the money, securities, or other property given or bequeathed to it. The principal of such corporate funds and the income therefrom, and all other revenues received by it from any source whatsoever shall be placed in such depositories as the board of directors shall determine and shall be subject to expenditure for corporate purposes;

(5) to enter into contracts generally and to execute all instruments necessary or appropriate to carry out its corporate purposes;

(6) to appoint and prescribe the duties of officers, agents, and employees as may be necessary to carry out its work and to compensate them;

(7) to purchase all supplies and materials necessary for carrying out its purposes;

(8) to accept from the United States or the state of Minnesota, or any of their agencies, money or other assistance whether by gift, loan, or otherwise to carry out its corporate purposes, and enter into such contracts with the United States or the state of Minnesota, or any of the agencies of either, or with any of the political subdivisions of the state, as it may deem proper and consistent with the purposes of this section;

(9) to contract and make cooperative agreements with federal, state, and municipal departments and agencies and private corporations, associations, and individuals for the use of the corporation property, including but not limited to rental agreements; and

(10) to acquire real or personal property or any interest therein in any manner authorized under section 469.012, subdivision 1g, including by the exercise of eminent domain.

(b) A corporation may acquire properties converted under RAD, subject to restrictions and conditions compatible with funding acquisitions of and improvements to real property with state general obligation bond proceeds. The commissioner of management and budget must determine the necessary restrictions and conditions under this paragraph.

Subd. 4. **Board of directors.** (a) A corporation is governed by a board of directors as follows:

(1) a member of the city council from the city in which the corporation is incorporated; and

(2) a commissioner of the authority that created the corporation.

(b) The term of a director is six years. Two members of the initial board of directors must be appointed for terms of four years, and one for a term of two years.

(c) Vacancies on the board must be filled by the authority.

(d) Board members must not be compensated for their service as board members other than to be reimbursed for reasonable expenses incurred in connection with their duties as board members. Reimbursement shall be reviewed each year by the state auditor.

(e) The board must annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 5. **Bylaws.** The board of directors must adopt bylaws and rules as it deems necessary for the administration of its functions and the accomplishment of its purpose, including among other matters the establishment of a business office and the rules, the use of the project-based rental assistance properties, and the administration of corporation funds.

Subd. 6. **Place of business.** The board must locate and maintain the corporation's place of business in the city in which the authority that created the corporation is located.

Subd. 7. **Open meetings; data practices.** Meetings of the board are subject to chapter 13D and meetings of the board conducted by interactive technology are subject to section 13D.02. The board is subject to chapter 13, the Minnesota Government Data Practices Act, and shall protect from unlawful disclosure data classified as not public.

Subd. 8. **Compliance.** The corporation must comply with all federal, state, and local laws, rules, ordinances, and other regulations required to own and operate properties as project-based rental assistance properties.

Subd. 9. **Dissolution.** Upon dissolution of the corporation for any reason, its wholly owned assets become property of the authority that created the corporation.

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

Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local governments to develop and preserve affordable housing and supportive services for residents within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given:

(b) "City distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

(c) "Cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income.

(d) "County distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in metropolitan counties that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

(e) "Locally funded housing expenditures" means expenditures of the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, that are:

(1) funded from the recipient's general fund, a property tax levy of the recipient or its housing and redevelopment authority, or unrestricted money available to the recipient, but not including tax increments; and

(2) expended on one of the following qualifying activities:

(i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;

(ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;

(iii) down payment assistance or homeownership education, counseling, and training;

(iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;

(v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and

(vi) rental assistance.

- ~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;
- ~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;
- ~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and
- ~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is located in a metropolitan county.

Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects ~~shall~~ include:

- (1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;
- (2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; ~~and~~
- (3) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;
- (4) financing the operations and management of financially distressed residential properties;
- (5) funding of supportive services or staff of supportive services providers for supportive housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and
- (6) costs of operating emergency shelter facilities, including the costs of providing services.

~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

~~(b)~~ (c) Gap financing is either:

- (1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or
- (2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

~~(d)~~ (e) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

Sec. 37. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a subdivision to read:

Subd. 5a. Conditions for receipt. (a) As a condition of receiving aid under this section, a recipient must commit to using money to supplement, not supplant, existing locally funded housing expenditures, so that they are using the money to create new, or to expand existing, housing programs.

(b) In the annual report required under subdivision 6, a recipient must certify its compliance with this subdivision, including an accounting of locally funded housing expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota Housing Finance Agency, it must document its locally funded housing expenditures in the two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures, the recipient must detail the expenditure, the amount of the reduction, and the reason for the reduction. The certification required under this paragraph must be made available publicly on the website of the recipient.

Sec. 38. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended to read:

Subd. 6. Administration. (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

- (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);
- (2) spends the funds on anything other than a qualifying project; ~~or~~
- (3) fails to submit a report documenting use of the funds; or
- (4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments at the request of the city or county in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

Sec. 39. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Challenge Program

60,425,000

60,425,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, \$6,425,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) Of the amount in the first year, \$5,000,000 is for a grant to Urban Homeworks to expand initiatives pertaining to deeply affordable homeownership in Minneapolis neighborhoods with over 40 percent of residents identifying as Black, Indigenous, or People of Color and at least 40 percent of residents making less than 50 percent of the area median income. The grant is to be used for acquisition, rehabilitation, gap financing as defined in section 462A.33, subdivision 1, and construction of homes to be sold to households with incomes ~~of 50 to~~ at or below 60 percent of the area median income. This is a onetime appropriation, ~~and is available until June 30, 2027.~~ By December 15 each year ~~until 2027,~~ Urban Homeworks must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the amount used for (1) acquisition, (2) rehabilitation, and (3) construction of housing units, along with the number of housing units acquired, rehabilitated, or constructed, and the amount of the appropriation that has been spent. If any home was sold or transferred within the year covered by the report, Urban Homeworks must include the price at which the home was sold, as well as how much was spent to complete the project before sale.

(d) Of the amount in the first year, \$2,000,000 is for a grant to Rondo Community Land Trust. This is a onetime appropriation.

(e) The base for this program in fiscal year 2026 and beyond is \$12,925,000.

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

Sec. 40. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

Subd. 32. **Northland Foundation**

1,000,000

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This appropriation is for a grant to Northland Foundation for use on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3, to assist and support communities in providing housing locally, and on for assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This appropriation is onetime and available until June 30, 2025.

Sec. 41. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer" means an individual:

(1) whose income is at or below 130 percent of area median income;

~~(2) who resides in a census tract where at least 60 percent of occupied housing units are renter occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;~~

~~(3) (2) who is financing the purchase of an eligible property with an interest-free, fee-based mortgage; and~~

~~(4) (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.~~

Sec. 42. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE HOUSING.**

Subdivision 1. **Establishment.** A task force is established to study the financial health and stability of affordable housing providers and to provide recommendations to the Minnesota legislature to promote long-term sustainability of affordable housing providers, prevent loss of affordable units, and promote housing security for renters.

Subd. 2. **Duties.** (a) The task force must assess underlying financial challenges for affordable housing providers in their pursuit of developing and preserving safe, affordable, and dignified housing, including examining:

(1) factors that are leading to increasing costs, including but not limited to insurance rates, security costs, and rehabilitation needs;

(2) factors that are leading to declining revenues for affordable housing providers, including but not limited to loss of rent and vacancy issues;

(3) the significant financial needs across the entire sector of affordable housing providers; and

(4) the potential impact of loss of housing units under current conditions.

(b) The task force must evaluate the current financing and administrative tools that are being deployed to support housing providers and their effectiveness, including examining:

(1) current funding needs, financing programs, and the availability of funding to assess the level of funding as it relates to overall needs;

(2) administrative tools utilized by the Minnesota Housing Finance Agency to support affordable housing providers; and

(3) the effectiveness of current funding programs and tools.

(c) The task force must evaluate potential solutions to address identified financial challenges for affordable housing providers, including:

(1) additional funding for existing programs and tools;

(2) new financial tools, including new uses of housing infrastructure bonds;

(3) mechanisms to fund supportive services in the development process for new affordable housing projects;

(4) underwriting practices at the Minnesota Housing Finance Agency; and

(5) recommendations for changes to financial or management practices for affordable housing providers.

Subd. 3. **Meetings and report.** The Minnesota Housing Finance Agency shall convene the first meeting of the task force no later than August 31, 2024, and shall provide accessible physical or virtual meeting space as necessary for the task force to conduct its work. The task force must submit final recommendations to the house of representatives and senate housing committees and for the commissioner of the Minnesota Housing Finance Agency no later than February 1, 2025.

Subd. 4. **Membership.** The task force shall consist of 13 members representing a cross section of the affordable housing industry and relevant agency staff. The chair of the house of representatives committee with jurisdiction over housing finance shall appoint four members. The chair of the senate committee with jurisdiction over housing finance shall appoint four members. The commissioner of the Minnesota Housing Finance Agency shall appoint five members. Members must be appointed no later than July 1, 2024.

Subd. 5. **Expiration.** The task force expires upon submission of the final recommendations required under subdivision 4.

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

Sec. 43. **DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND THE MINNESOTA HOUSING FINANCE AGENCY; EMERGENCY ASSISTANCE PROGRAM MODIFICATIONS.**

(a) The commissioner of the Minnesota Housing Finance Agency, in consultation with the commissioner of human services, shall develop program recommendations for emergency rental assistance that have the flexibility to provide relief for crises within a time frame that corresponds to the emergency and that are simple enough for applicants to understand across all emergency rental assistance programs. In the development of these recommendations, the commissioners must:

(1) recognize differences between administrative and legislative authority and propose legislative changes to the definition of emergency general assistance;

(2) adopt policies and practices that prioritize easy-to-understand eligibility criteria and definitions that prioritize accessible, culturally responsive, and trauma-informed approaches when assisting persons through a crisis; and

(3) develop guidance to emergency rental assistance program administrators that encourage the program administrators to be flexible with the required forms of documentation for the program and to avoid establishing documentation requirements that are likely to be barriers to participation in emergency rental assistance for eligible households.

(b) For the purposes of this section, the following terms have the meanings given:

(1) "culturally responsive" means agencies, programs, and providers of services respond respectfully and effectively to people of all cultures, languages, classes, races, ethnic backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a manner that recognizes, values, and affirms differences and eliminates barriers to access; and

(2) "trauma-informed" means to recognize that many people have experienced trauma in their lifetime and that programs must be designed to respond to people with respect and accommodate the needs of people who have or are currently experiencing trauma.

Sec. 44. **E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

The commissioner of the Minnesota Housing Finance Agency and the commissioner of human services are encouraged to develop uniform e-signature options to be used in applications for emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance.

Sec. 45. **LANGUAGE ACCESS IN APPLICATIONS FOR RENTAL ASSISTANCE.**

The commissioner of the Minnesota Housing Finance Agency and the commissioner of human services shall research state and federal laws and regulations to determine language access standards applying to the organizations' emergency general assistance, emergency assistance, and family homelessness prevention and assistance programs and shall ensure compliance with all applicable language access requirements. The commissioners are encouraged to identify specific languages into which program materials could be translated to improve access to emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance and shall translate the materials into the identified languages. The commissioners are encouraged to develop and implement a plan to translate any website applications for emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance into multilingual website applications.

Sec. 46. **VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

(a) The commissioner of the Minnesota Housing Finance Agency, in consultation with the commissioner of human services, is encouraged to consult with local officials to develop recommendations aimed at simplifying the process of verifying the information in applications for emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance. In developing recommendations, the commissioners must consider:

(1) allowing self-attestation of emergencies, assets, and income;

(2) allowing verbal authorization by applicants to allow emergency rental assistance administrators to communicate with landlords and utility providers regarding applications for assistance; and

(3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

(b) The commissioners are encouraged to:

(1) prepare recommendations by January 1, 2025; and

(2) report those recommendations to the chairs and ranking minority members of the legislative committees having jurisdiction over housing.

Sec. 47. **HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program to support recapitalization of distressed buildings.

Subd. 2. **Definitions.** For purposes of this section:

(1) "distressed building" means an existing rental housing building in which the units are restricted to households at or below 60 percent of the area median income, and that:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio of less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes; and

(2) "recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance, security services, property insurance, capital improvements, funding of reserves for supportive services, and property operations.

Subd. 3. **Grant program.** The commissioner must use a request for proposal process to consider funding requests and award grants to finance recapitalization of distressed buildings. In awarding grants, the commissioner must give priority to distressed buildings most at risk of losing affordable housing.

Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and homelessness. The report must detail the number of applications received, the amount of funding requested, the grants awarded, and the number of affordable housing units preserved through awards under this section.

Sec. 48. **REVISOR INSTRUCTION.**

(a) If H. F. 3800 or another substantively similar bill that establishes a new cooperative chapter coded as Minnesota Statutes, chapter 308C, is enacted during the 2024 legislative session, the revisor of statutes must add "308C" to the list of chapters referenced in Minnesota Statutes, section 462A.37, subdivision 2, paragraph (a), clause (10), as amended in this act.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make necessary cross-reference changes in Minnesota Statutes.

ARTICLE 3
DISCRIMINATION; CIC; WORKING GROUP

Section 1. **[504B.505] DISCRIMINATION; HOUSING ASSISTANCE.**

(a) A landlord must not discriminate against a tenant based on the tenant's use of federal, state, or local government rental assistance; a housing choice voucher program; or another form of public assistance that helps a tenant pay rent; or refuse to rent to a tenant because the landlord may be responsible for meeting the terms and conditions of a public assistance program. A landlord must not deny a tenant or prospective tenant a viewing or application for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant or prospective tenant who uses rental assistance or a housing choice voucher. A landlord cannot advertise that they will not rent to a tenant who uses rental assistance or a housing choice voucher program.

(b) A violation of this section is an unfair discriminatory practice under section 363A.09, and an individual has all the rights and remedies available under chapter 363A.

Sec. 2. Laws 2023, chapter 52, article 19, section 120, is amended to read:

Sec. 120. **EFFECTIVE DATE.**

Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January 1, 2024, and applies to cases filed before, on, or after that date.

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

Sec. 3. **WORKING GROUP ON COMMON INTEREST COMMUNITIES AND HOMEOWNERS ASSOCIATIONS.**

Subdivision 1. **Creation; duties.** (a) A working group is created to study the prevalence and impact of common interest communities (CICs) and homeowners associations (HOAs) in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing. The working group shall study:

(1) how many CICs and HOAs exist, how many people may reside in those housing units, and where they are located in the state;

(2) the governing documents commonly used by CICs and HOAs and whether the governing documents or common practices create barriers for participation by homeowners in the board of directors for CICs or HOAs;

(3) the fees and costs commonly associated with CICs and HOAs and how those fees have increased, including the cost of outside management, accounting, and attorney fees that are assessed to owners and residents;

(4) whether there should be uniform, statutory standards regarding fees, fines, and costs assessed to residents;

(5) how the organization and management of CICs and HOAs, including boards and management companies, impact the affordability of CICs and HOAs;

(6) the impact of CICs and HOAs on the housing market and housing costs;

(7) the racial disparity in homeownership as it relates to CICs and HOAs;

(8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

(9) how other states regulate CICs and HOAs and best practices related to board transparency, dispute resolution, and foreclosures; and

(10) how the current laws governing CICs and HOAs may be consolidated and reformed for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

(b) The focus and duties of the working group shall be to recommend legislative reforms or other methods to regulate CICs and HOAs, including the consolidation or recodification of existing chapters regulating CICs and HOAs.

Subd. 2. **Membership.** The working group shall consist of the following:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader;

(3) one member from the Minnesota Homeownership Center;

(4) one member from the Community Associations Institute;

(5) one member from a business association that supports, educates, or provides services to CICs and HOAs in Minnesota designated by the commissioner of commerce;

(6) one member from a legal aid association familiar with housing laws and representing low-income clients;

(7) one member from the Minnesota Association of Realtors;

(8) one member who is an attorney who regularly works advising homeowners or residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the State Bar Association;

(9) one member who is an attorney who regularly works advising CIC and HOA boards designated by the State Bar Association;

(10) one member from a metropolitan area government who is familiar with issues homeowners and tenants face while living in CICs and HOAs in the metropolitan area;

(11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's designee;

(12) one member from the attorney general's office designated by the attorney general;

(13) two members who are currently, or have within the last five years, served on a CIC or HOA board and have knowledge about the management of CIC and HOA boards; and

(14) four members who are current or recent owners of a residence that is part of a CIC or HOA.

Subd. 3. Facilitation; organization; meetings. (a) The Management Analysis Division of Minnesota Management and Budget shall facilitate the working group, provide administrative assistance, and convene the first meeting by July 15, 2024. Members of the working group may receive compensation and reimbursement for expenses as authorized by Minnesota Statutes, section 15.059, subdivision 3.

(b) The working group must meet at regular intervals as often as necessary to accomplish the goals enumerated under subdivision 1. Meetings of the working group are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. External consultation. The working group shall consult with other individuals and organizations that have expertise and experience that may assist the working group in fulfilling its responsibilities, including entities engaging in additional external stakeholder input from those with experience living in CICs and HOAs as well as working with the board of directors for CICs and HOAs.

Subd. 5. Report required. The working group shall submit a final report by February 1, 2025, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy, commerce, and real property. The report shall include recommendations and draft legislation based on the duties and focus for the working group provided in subdivision 1.

Subd. 6. Expiration. The working group expires upon submission of the final report in subdivision 5, or February 28, 2025, whichever is later.

EFFECTIVE DATE. This section is effective the day following final enactment and expires March 1, 2025."

Delete the title and insert:

"A bill for an act relating to housing; modifying prior appropriations; establishing new programs and modifying existing programs; expanding eligible uses of housing infrastructure bonds; authorizing the issuance of housing infrastructure bonds; establishing a working group and a task force; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 15.082; 462A.02, subdivision 10; 462A.03, by adding subdivisions; 462A.05, subdivisions 3b, 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding subdivisions; 462A.202, subdivision 3a; 462A.21, subdivisions 7, 8b; 462A.222, by adding a subdivision; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 462C.02, subdivision 6; 469.012, subdivision 2j; Minnesota Statutes 2023 Supplement, sections 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.39, subdivision 2; 477A.35, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; Laws 2023, chapter 37, article 1, section 2, subdivisions 1, 2, 17, 29, 32; article 2, section 12, subdivision 2; Laws 2023, chapter 52, article 19, section 120; proposing coding for new law in Minnesota Statutes, chapters 462A; 469; 504B."

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

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4444, A bill for an act relating to employees; prohibiting misclassification of employees; imposing penalties; classifying data; amending Minnesota Statutes 2022, sections 177.27, subdivision 3; 181.171, subdivision 1; 181.722; 181.723; 270B.14, subdivision 17, by adding a subdivision; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; Minnesota Statutes 2023 Supplement, section 177.27, subdivisions 1, 2, 4, 7; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The report was adopted.

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

H. F. No. 4838, A bill for an act relating to children; making changes to the Minnesota Indian Family Preservation Act; making conforming statutory changes; amending Minnesota Statutes 2022, sections 260.755, subdivisions 2a, 5, 14, 17a, by adding subdivisions; 260.775; 260.785, subdivisions 1, 3; 260.810, subdivision 3; 260C.007, subdivision 26b; 260C.178, subdivision 1; 260C.201, subdivision 1; 260C.204; 260C.503, subdivisions 1, 3; 260C.505; 260C.507; 260D.01; 260D.12; Minnesota Statutes 2023 Supplement, sections 260.755, subdivisions 1a, 3, 3a, 5b, 20, 22; 260.758, subdivisions 2, 4, 5; 260.761; 260.762; 260.763, subdivisions 1, 4, 5; 260.765, subdivisions 2, 3a, 4b; 260.771, subdivisions 1a, 1b, 1c, 2b, 2d, 6, by adding subdivisions; 260.773, subdivisions 1, 2, 3, 4, 5, 10, 11; 260.774, subdivisions 1, 2, 3; 260.781, subdivision 1; 260.786, subdivision 2; 260.795, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 259; 260D; 260E; 524; repealing Minnesota Statutes 2022, section 260.755, subdivision 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
MINNESOTA INDIAN FAMILY PRESERVATION ACT PROVISIONS

Section 1. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 1a, is amended to read:

Subd. 1a. **Active efforts.** (a) "Active efforts" means a rigorous and concerted level of effort to preserve the Indian child's family that is ongoing throughout the involvement of the child-placing agency ~~to continuously involve the Indian child's Tribe and that uses the~~ or the petitioner with the Indian child. Active efforts require the engagement of the Indian child, the Indian child's parents, the Indian custodian, the extended family, and the Tribe in using the prevailing social and cultural values, conditions, and way of life of the Indian child's Tribe to: (1) preserve the Indian child's family ~~and;~~ (2) prevent placement of an Indian child ~~and;~~ (3) if placement occurs, to return the Indian child to the Indian child's family at the earliest possible time; and (4) where a permanent change in parental rights or custody are necessary, ensure the Indian child retains meaningful connections to the Indian child's family, extended family, and Tribe.

(b) Active efforts ~~under section for all Indian child placements includes this section and sections 260.012 and 260.762 and~~ require a higher standard than reasonable efforts as defined in section 260.012 to preserve the family, prevent breakup of the family, and reunify the family. Active efforts ~~include reasonable efforts as required by Title IV E of the Social Security Act, United States Code, title 42, sections 670 to 679e~~ are required for all Indian child placement proceedings and for all voluntary Indian child placements that involve a child-placing agency regardless of whether the reasonable efforts would have been relieved under section 260.012.

Sec. 2. Minnesota Statutes 2022, section 260.755, subdivision 2a, is amended to read:

Subd. 2a. **Best interests of an Indian child.** "Best interests of an Indian child" means compliance with the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act to preserve and maintain an Indian child's family. The best interests of an Indian child support the Indian child's sense of belonging to family, extended family, and Tribe. The best interests of an Indian child are interwoven with the best interests of the Indian child's Tribe.

Sec. 3. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 3, is amended to read:

Subd. 3. **Child placement proceeding.** (a) "Child placement proceeding" includes a judicial proceeding which could result in:

(1) "adoptive placement," meaning the permanent placement of an Indian child for adoption, including an action resulting in a final decree of adoption;

(2) "involuntary foster care placement," meaning an action removing an Indian child from the child's parents or Indian custodian for temporary placement in a foster home, institution, or the home of a guardian. The parent or Indian custodian cannot have the Indian child returned upon demand, but parental rights have not been terminated;

(3) "preadoptive placement," meaning the temporary placement of an Indian child in a foster home or institution after the termination of parental rights, before or instead of adoptive placement; or

(4) "termination of parental rights," meaning an action resulting in the termination of the parent-child relationship under section 260C.301.

(b) The term child placement proceeding is a domestic relations proceeding that includes all placements where Indian children are placed ~~out of home or~~ away from the care, custody, and control of their parent or parents or Indian custodian that do not implicate custody between the parents. Child placement proceeding also includes any placement based upon juvenile status offenses; but does not include a placement based upon an act which if committed by an adult would be deemed a crime, or upon an award of custody in a divorce proceeding to one of the parents.

Sec. 4. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 3a, is amended to read:

Subd. 3a. **Child-placing agency.** "Child-placing agency" means a public, private, or nonprofit legal entity: (1) providing assistance to ~~a~~ an Indian child and the Indian child's ~~parent or~~ parents or Indian custodian; or (2) placing ~~a~~ an Indian child in foster care or for adoption on a voluntary or involuntary basis.

Sec. 5. Minnesota Statutes 2022, section 260.755, subdivision 5, is amended to read:

Subd. 5. **Demand.** "Demand" means a written and notarized statement signed by a parent or Indian custodian of ~~a~~ an Indian child which requests the return of the Indian child who has been voluntarily placed in foster care.

Sec. 6. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 5b, is amended to read:

Subd. 5b. **Extended family member.** "Extended family member" is as defined by the law or custom of the Indian child's Tribe or, in the absence of any law or custom of the Tribe, is a person who has reached the age of 18 and who is the Indian child's grandparent, aunt or uncle, brother or sister, brother-in-law or sister-in-law, niece or nephew, first or second cousin, or stepparent. For the purposes of provision of active efforts and foster care and permanency placement decisions, the legal parent, guardian, or custodian of the Indian child's sibling is not an extended family member or relative of an Indian child unless they are independently related to the Indian child or recognized by the Indian child's Tribe as an extended family member.

Sec. 7. Minnesota Statutes 2022, section 260.755, subdivision 14, is amended to read:

Subd. 14. **Parent.** "Parent" means the biological parent of an Indian child; or any ~~Indian~~ person who has lawfully adopted an Indian child, including a person who has adopted ~~a~~ an Indian child by Tribal law or custom. Parent includes a father as defined by Tribal law or custom. Parent does not include an unmarried father whose paternity has not been acknowledged or established. Paternity has been acknowledged when an unmarried father takes any action to hold himself out as the biological father of an Indian child.

Sec. 8. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 15a. **Petitioner.** "Petitioner" means one or more individuals other than a parent or Indian custodian who has filed a petition or motion seeking a grant of temporary or permanent guardianship, custody, or adoption of an Indian child.

Sec. 9. Minnesota Statutes 2022, section 260.755, subdivision 17a, is amended to read:

Subd. 17a. **Qualified expert witness.** "Qualified expert witness" means an individual who ~~(1) has specific knowledge of the Indian child's tribe's culture and customs, or~~ meets the criteria in section 260.771, subdivision 6, paragraph (d), and ~~(2) provides testimony as required by the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912, and the Minnesota Indian Family Preservation Act, regarding out-of-home placement or termination of parental rights~~ child placement or permanency proceedings relating to an Indian child.

Sec. 10. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 20, is amended to read:

Subd. 20. **Tribal court.** "Tribal court" means a court with jurisdiction over child custody proceedings and which is either a court of Indian offenses, ~~or~~ a court established and operated under the code or custom of an Indian Tribe, or any other administrative body of a Tribe which is vested with authority over child custody proceedings.

Sec. 11. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 20a. **Tribal representative.** "Tribal representative" means a representative designated by and acting on behalf of a Tribe in connection with an Indian child placement proceeding as defined in subdivision 3. It is not required that the designated representative be an attorney to represent the Tribe in these matters. An individual appearing as a Tribal representative on behalf of a Tribe and participating in a court proceeding under this chapter is not engaged in the unauthorized practice of law.

Sec. 12. Minnesota Statutes 2023 Supplement, section 260.755, subdivision 22, is amended to read:

Subd. 22. **Voluntary foster care placement.** "Voluntary foster care placement" means a decision in which there has been participation by a child-placing agency resulting in the temporary placement of an Indian child away from the home of the Indian child's parents or Indian custodian in a foster home, institution, or the home of a guardian, and the parent or Indian custodian may have the Indian child returned upon demand.

Sec. 13. Minnesota Statutes 2023 Supplement, section 260.758, subdivision 2, is amended to read:

Subd. 2. **Temporary emergency jurisdiction of state courts.** (a) The child-placing agency, petitioner, or court shall ensure that the emergency removal or placement terminates immediately when removal or placement is no longer necessary to prevent imminent physical damage or harm to the Indian child. The child-placing agency, petitioner, or court shall expeditiously initiate a child placement proceeding subject to the provisions of sections 260.751 to 260.835, transfer the Indian child to the jurisdiction of the appropriate Indian Tribe, or return the Indian child to the Indian child's parent or Indian custodian as may be appropriate.

(b) If the Indian child is a resident of or is domiciled on a reservation but temporarily located off the reservation, a court of this state has only temporary emergency jurisdiction until the Indian child is transferred to the jurisdiction of the appropriate Indian Tribe unless the Indian child's Tribe has expressly declined to exercise its jurisdiction, or the Indian child is returned to the Indian child's parent or Indian custodian.

Sec. 14. Minnesota Statutes 2023 Supplement, section 260.758, subdivision 4, is amended to read:

Subd. 4. **Emergency proceeding requirements.** (a) The court shall hold a hearing no later than 72 hours, excluding weekends and holidays, after the emergency removal of the Indian child. The court shall determine whether the emergency removal continues to be necessary to prevent imminent physical damage or harm to the Indian child.

(b) The court shall hold additional hearings whenever new information indicates that the emergency situation has ended and must determine at any court hearing during the emergency proceeding ~~to determine~~ whether the emergency removal or placement is no longer necessary to prevent imminent physical damage or harm to the Indian child.

Sec. 15. Minnesota Statutes 2023 Supplement, section 260.758, subdivision 5, is amended to read:

Subd. 5. **Termination of emergency removal or placement.** (a) An emergency removal or placement of an Indian child must immediately terminate once the child-placing agency or court possesses sufficient evidence to determine that the emergency removal or placement is no longer necessary to prevent imminent physical damage or harm to the Indian child and the Indian child shall be immediately returned to the custody of the Indian child's parent or Indian custodian.

(b) An emergency removal or placement ends when the Indian child is transferred to the jurisdiction of the Indian child's Tribe, or when the court orders, after service upon the Indian child's parents, Indian custodian, and Indian child's Tribe, that placement of the Indian child ~~shall be placed in foster care~~ upon a determination supported by clear and convincing evidence, including testimony by a qualified expert witness, that custody of the Indian child by the Indian child's parent or Indian custodian is likely to result in serious emotional or physical damage to the Indian child.

(c) In no instance shall emergency removal or emergency placement of an Indian child extend beyond 30 days unless the court finds by a showing of clear and convincing evidence that: (1) continued emergency removal or placement is necessary to prevent imminent physical damage or harm to the Indian child; (2) the court has been unable to transfer the proceeding to the jurisdiction of the Indian child's Tribal court; and (3) it has not been possible to initiate a child placement proceeding with all of the protections under sections 260.751 to 260.835, including obtaining the testimony of a qualified expert witness.

Sec. 16. Minnesota Statutes 2023 Supplement, section 260.761, is amended to read:

260.761 INQUIRY OF TRIBAL LINEAGE; NOTICE TO TRIBES, PARENTS, AND INDIAN CUSTODIANS; ACCESS TO FILES.

Subdivision 1. **Inquiry of Tribal lineage.** (a) The child-placing agency or ~~individual~~ petitioner shall inquire of the child, the child's parents and custodians, and other appropriate persons whether there is any reason to believe that a child brought to the agency's attention may have lineage to an Indian Tribe. This inquiry shall occur at the time the child comes to the attention of the child-placing agency or ~~individual~~ petitioner and shall continue throughout the involvement of the child-placing agency or ~~individual~~ petitioner.

(b) In any child placement proceeding, the court shall inquire of the child, the child's parents, custodian, and any person participating in the proceedings whether the child has any American Indian heritage or lineage to an Indian Tribe. The inquiry shall be made at the commencement of the proceeding and all responses must be on the record. The court must instruct the parties to inform the court if they subsequently receive information that provides reason to believe the child is an Indian child.

(c) If there is reason to believe the child is an Indian child, but the court does not have sufficient evidence to determine whether the child is an Indian child, the court shall:

(1) confirm with a report, declaration, or testimony in the record that the child-placing agency or petitioner used due diligence to identify and work with all of the Tribes for which there is reason to believe the child may be a member of or eligible for membership to verify whether the child is an Indian child; and

(2) proceed with the case as if the child is an Indian child until it is determined on the record that the child does not meet the definition of Indian child.

Subd. 2. **Notice ~~to Tribes~~ of services or court proceedings involving an Indian child.** (a) When a child-placing agency or petitioner has information that a family assessment, investigation, or noncaregiver sex trafficking assessment being conducted may involve an Indian child, the child-placing agency or petitioner shall notify the Indian child's Tribe of the family assessment, investigation, or noncaregiver sex trafficking assessment according to section 260E.18. The child-placing agency or petitioner shall provide initial notice 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 or petitioner 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 or petitioner 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 or petitioner shall continue to include the Tribe in service planning and updates as to the progress of the case.

(b) When a child-placing agency or petitioner has information that a child receiving services may be an Indian child, the child-placing agency or petitioner 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 for the Tribe to determine if the child is a member or eligible for Tribal membership, and the child-placing agency or petitioner 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 or petitioner 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~~ allow appearances by telephone, video conference, or other electronic medium for Tribal representatives, the Indian child's parents, or the Indian custodian.

(d) In all child placement proceedings, except for adoptive or preadoptive placement proceedings, when a court has reason to believe the child is an Indian child, the child-placing agency or individual petitioner shall effect service of any petition governed by sections 260.751 to 260.835 provide notice of the proceedings and a copy of any petition to the Indian child's parents, Indian custodian, and the Indian child's Tribe and shall effect service of any notice and petition governed by sections 260.751 to 260.835 upon the parent, Indian custodian, and the Indian child's Tribe 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~~ or Tribe cannot be determined, the child-placing agency or petitioner shall provide the notice required in this paragraph to the United States Secretary of the Interior, Bureau of Indian Affairs by certified or registered mail, return receipt requested. Where service is only accomplished through the United States Secretary of the Interior, Bureau of Indian Affairs, the initial hearing shall not be held until 20 days after notice upon the Tribe or the Secretary of the Interior.

(e) Notice under this subdivision must be in clear and understandable language and include the following:

(1) the child's name, date of birth, and birth place;

(2) all names known for the parents and Indian custodian, including maiden, married, former names, and aliases, correctly spelled;

(3) the dates of birth, birth place, and Tribal enrollment numbers of the Indian child, the Indian child's parents, and the Indian custodian, if known;

(4) the full names, dates of birth, birth places, and Tribal enrollment or affiliation information of direct lineal ancestors of the child, other extended family members, and custodians of the child, if known;

(5) the name of any and all Indian Tribes in which the child is or may be a member or eligible for membership in; and

(6) statements setting out:

(i) the name of the petitioner and name and address of the petitioner's attorney;

(ii) the right of any parent or Indian custodian of the Indian child, to intervene in the child placement proceedings, if not already a party;

(iii) the right of the Indian child's Tribe to intervene in the proceedings at any time;

(iv) the right of the Indian child, the Indian child's parent, and the Indian custodian to court-appointed counsel if they meet the requirements in section 611.17;

(v) the right to be granted, upon request, up to 20 additional days to prepare for the child-placement proceedings;

(vi) the right of the Indian child's parent, the Indian custodian, and the Indian child's Tribe to petition the court for transfer of the proceedings to Tribal court;

(vii) the mailing addresses and telephone numbers of the court and information related to all parental and custodial rights of the parent or Indian custodian; and

(viii) that all parties must maintain confidentiality of all information contained in the notice and must not provide the information to anyone other than their attorney.

~~(e)~~ (f) A Tribe, the Indian child's parents, or the Indian custodian may request up to 20 additional days to prepare for the ~~admit deny~~ initial 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) (g) 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~~ agency or petitioner's involvement with an Indian child, the child-placing agency or petitioner 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 or petitioner of satisfying the notice requirements in state or federal law.

(h) The court shall allow appearances by telephone, video conference, or other electronic means for Tribal representatives at all hearings and trials. The court shall allow appearances by telephone, video conference, or other electronic means for the Indian child's parents or Indian custodian for all hearings, except that the court may require an in-person appearance for trials or other evidentiary or contested hearings.

Subd. 3. **Notice of potential preadoptive or adoptive placement.** In any adoptive or preadoptive placement proceeding, including voluntary proceedings, where any party or participant has reason to believe that a child who is the subject of an adoptive or preadoptive placement proceeding is or may be an "Indian child," as defined in section 260.755, subdivision 8, and United States Code, title 25, section 1903(4), the child-placing agency or ~~individual~~ petitioner shall notify the Indian child's Tribe by registered mail or certified mail with return receipt requested of the pending proceeding and of the right of intervention under subdivision 6. If the identity or location of the Indian child's Tribe cannot be determined, the notice must be given to the United States Secretary of Interior in like manner. No preadoptive or adoptive placement proceeding may be held until at least 20 days after receipt of the notice by the Tribe or the secretary. Upon request, the Tribe must be granted up to 20 additional days to prepare for the proceeding. The child-placing agency or ~~individual~~ petitioner shall include in the notice the identity of the birth parents and Indian child absent written objection by the birth parents. The child-placing agency or petitioner shall inform the birth parents of the Indian child of any services available to the Indian child through the child's Tribal social services agency, including child placement services, and shall additionally provide the birth parents of the Indian child with all information sent from the Tribal social services agency in response to the notice.

Subd. 4. **Unknown father.** If the child-placing agency, ~~individual~~ petitioner, the court, or any party has reason to believe that a child who is the subject of a child placement proceeding is or may be an Indian child but the father of the child is unknown and has not registered with the fathers' adoption registry pursuant to section 259.52, the child-placing agency or ~~individual~~ petitioner shall provide to the Tribe believed to be the Indian child's Tribe information sufficient to enable the Tribe to determine the child's eligibility for membership in the Tribe, including, but not limited to, the legal and maiden name of the birth mother, her date of birth, the names and dates of birth of her parents and grandparents, and, if available, information pertaining to the possible identity, Tribal affiliation, or location of the birth father. If the identity or location of the Indian child's Tribe cannot be determined, the notice must be given to the United States Secretary of Interior in like manner.

Subd. 5. **Proof of service of notice upon Tribe or secretary.** In cases where a child-placing agency or party to an adoptive placement knows or has reason to believe that a child is or may be an Indian child, proof of service upon the Indian child's Tribe or the secretary of interior must be filed with the adoption petition.

Subd. 6. **Indian Tribe's right of intervention.** In any child placement proceeding under sections 260.751 to 260.835, the Indian child's Tribe shall have a right to intervene at any point in the proceeding.

Subd. 6a. **Indian Tribe's access to files.** At any stage of the child-placing ~~agency's~~ agency or petitioner's involvement with an Indian child, the child-placing agency or petitioner shall, upon request, give the Tribal social services agency full cooperation including access to all files concerning the Indian child. If the files contain confidential or private data, the child-placing agency or petitioner may require execution of an agreement with the Tribal social services agency to maintain the data according to statutory provisions applicable to the data.

Sec. 17. Minnesota Statutes 2023 Supplement, section 260.762, is amended to read:

260.762 DUTY TO PREVENT OUT-OF-HOME CHILD PLACEMENT, PRESERVE THE CHILD'S FAMILY, AND PROMOTE FAMILY REUNIFICATION; ACTIVE EFFORTS.

Subdivision 1. **Active efforts.** Active efforts includes acknowledging traditional helping and healing systems of an Indian child's Tribe and using these systems as the core to help and heal the Indian child and family regardless of whether the Indian child's Tribe has intervened in the proceedings. ~~Active efforts are not required to prevent voluntary out of home placement and to effect voluntary permanency for the Indian child.~~

~~Subd. 2. **Requirements for child-placing agencies and individual petitioners.** A child-placing agency or individual petitioner shall:~~

~~(1) work with the Indian child's Tribe and family to develop an alternative plan to out of home placement;~~

~~(2) before making a decision that may affect an Indian child's safety and well being or when contemplating out of home placement of an Indian child, seek guidance from the Indian child's Tribe on family structure, how the family can seek help, what family and Tribal resources are available, and what barriers the family faces at that time that could threaten its preservation; and~~

~~(3) request participation of the Indian child's Tribe at the earliest possible time and request the Tribe's active participation throughout the case.~~

Subd. 2a. **Required findings that active efforts were provided.** (a) A court shall not order a child placement, termination of parental rights, guardianship to the commissioner of human services under section 260C.325, or temporary or permanent change in custody of an Indian child unless the court finds that the child-placing agency or petitioner demonstrated that active efforts were made to preserve the Indian child's family. Active efforts to preserve the Indian child's family include efforts to prevent placement of the Indian child to correct the conditions that led to the placement by ensuring remedial services and rehabilitative programs designed to prevent the breakup of the family were provided in a manner consistent with the prevailing social and cultural conditions of the Indian child's Tribe and in partnership with the Indian child, the Indian child's parents, the Indian custodian, extended family members, and Tribe, and that these efforts have proved unsuccessful.

(b) The court, in determining whether active efforts were made to preserve the Indian child's family for purposes of child placement or permanency, shall ensure the provision of active efforts designed to correct the conditions that led to the placement of the Indian child and shall make findings regarding whether the following activities were appropriate and necessary, and whether the child-placing agency or petitioner ensured appropriate and meaningful services were available based upon the family's specific needs, whether listed in this paragraph or not:

(1) whether active efforts were made at the earliest point possible to inquire into the child's heritage, to identify any federally recognized Indian Tribe the child may be affiliated with, to notify all potential Tribes at the earliest point possible, and to request participation of the Indian child's Tribe;

(2) whether a Tribally designated representative with substantial knowledge of the prevailing social and cultural standards and child-rearing practices within the Tribal community was provided an opportunity to consult with and be involved in any investigations or assessments of the family's circumstances, participate in identifying the family's needs, and participate in development of any plan to keep the Indian child safely in the home, identify services designed to prevent the breakup of the Indian child's family, and to reunify the Indian child's family as soon as safety can be assured if out-of-home placement has occurred;

(3) whether the Tribal representative was provided with all information available regarding the proceeding, and whether it was requested that the Tribal representative assist in identifying services designed to prevent the breakup of the Indian child's family and to reunify the Indian child's family as soon as safety can be assured if out-of-home placement has occurred;

(4) whether, before making a decision that may affect an Indian child's safety and well-being or when contemplating placement of an Indian child, guidance from the Indian child's Tribe was sought regarding family structure, how the family can seek help, what family and Tribal resources are available, and what barriers the family faces that could threaten the family's preservation;

(5) whether a Tribal representative was consulted to determine and arrange for visitation in the most natural setting that ensures the Indian child's safety, when the Indian child's safety requires supervised visitation;

(6) whether early and ongoing efforts occurred to identify, locate, and include extended family members as supports for the Indian child and the Indian child's family;

(7) whether continued active efforts were made to identify and place the Indian child in a home that is compliant with the placement preferences in sections 260.751 to 260.835, including whether extended family members were consulted to provide support to the Indian child and Indian child's parents; to inform the child-placing agency, petitioner, and court as to cultural connections and family structure; to assist in identifying appropriate cultural services and supports for the Indian child and Indian child's parents; and to identify and serve as placement and permanency resources for the Indian child. If there was difficulty contacting or engaging extended family members, whether assistance was sought from the Tribe, the Department of Human Services, or other agencies with expertise in working with Indian families;

(8) whether services and resources were provided to extended family members who are considered the primary placement option for an Indian child, as agreed upon by the child-placing agency or petitioner and the Tribe, to overcome licensing and other barriers to providing care to an Indian child. The need for services or resources shall not be a basis to exclude an extended family member from consideration as a primary placement. Services and resources include but are not limited to child care assistance, financial assistance, housing resources, emergency resources, and foster care licensing assistance and resources;

(9) whether concrete services and access to both Tribal and non-Tribal services were provided to the Indian child's parents and Indian custodian and, where necessary, members of the Indian child's extended family members who provide support to the Indian child and the Indian child's parents; and whether these services were provided in an ongoing manner throughout the child-placing agency or petitioner's involvement with the Indian family to directly assist the Indian family in accessing and utilizing services to maintain the Indian family, or to reunify the Indian family as soon as safety can be assured if out-of-home placement has occurred. Services include but are not limited to financial assistance, food, housing, health care, transportation, in-home services, community support services, and specialized services; and

(10) whether visitation occurred whenever possible in the home of the Indian child's parent, Indian custodian, or extended family member or in another noninstitutional setting in order to keep the Indian child in close contact with the Indian child's parents, siblings, and other relatives regardless of the Indian child's age and to allow the Indian child and those with whom the Indian child visits to have natural, unsupervised interaction when consistent with protecting the child's safety.

Subd. 2b. **Adoptions.** For adoptions under chapter 259, the court may find that active efforts were made to prevent placement of an Indian child or to reunify the Indian child with the Indian child's parents upon a finding that: (1) subdivision 2a, paragraph (b), clauses (1) to (4), were met; (2) the Indian child's parent knowingly and voluntarily consented to placement of the Indian child for adoption on the record as described in section 260.765,

subdivision 3a; (3) fraud was not present, and the Indian child's parent was not under duress; (4) the Indian child's parent was offered and declined services that would enable the Indian child's parent to maintain custody of the Indian child; and (5) the Indian child's parent was counseled on alternatives to adoption, and adoption contact agreements.

~~Subd. 3. **Required findings that active efforts were provided.** (a) Any party seeking to affect a termination of parental rights, other permanency action, or a placement where custody of an Indian child may be temporarily or permanently transferred to a person or entity who is not the Indian child's parent or Indian custodian, and where the Indian child's parent or Indian custodian cannot have the Indian child returned to their care upon demand, must satisfy the court that active efforts have been made to provide remedial services and rehabilitative programs designed to prevent the breakup of the Indian family and that these efforts have proved unsuccessful.~~

~~(b) A court shall not order an out of home or permanency placement for an Indian child unless the court finds that the child placing agency made active efforts to, as required by section 260.012 and this section, provide remedial services and rehabilitative programs designed to prevent the breakup of the Indian child's family, and that these efforts have proved unsuccessful. To the extent possible, active efforts must be provided in a manner consistent with the prevailing social and cultural conditions of the Indian child's Tribe and in partnership with the Indian child, Indian parents, extended family, and Tribe.~~

~~(c) Regardless of whether the Indian child's Tribe has intervened in the proceedings, the court, in determining whether the child placing agency made active efforts to preserve the Indian child's family for purposes of out of home placement and permanency, shall ensure the provision of active efforts designed to correct the conditions that led to the out of home placement of the Indian child and shall make findings regarding whether the following activities were appropriate and necessary, and whether the child placing agency made appropriate and meaningful services, whether listed in this paragraph or not, available to the family based upon that family's specific needs:~~

~~(1) whether the child placing agency made efforts at the earliest point possible to (i) identify whether a child may be an Indian child as defined in section 260.755, subdivision 8; and (ii) identify and request participation of the Indian child's Tribe at the earliest point possible and throughout the investigation or assessment, case planning, provision of services, and case completion;~~

~~(2) whether the child placing agency requested that a Tribally designated representative with substantial knowledge of prevailing social and cultural standards and child rearing practices within the Tribal community evaluate the circumstances of the Indian child's family, provided the Tribally designated representative with all information available regarding the case, and requested that the Tribally designated representative assist in developing a case plan that uses Tribal and Indian community resources;~~

~~(3) whether the child placing agency provided concrete services and access to both Tribal and non Tribal services to members of the Indian child's family, including but not limited to financial assistance, food, housing, health care, transportation, in home services, community support services, and specialized services; and whether these services are being provided in an ongoing manner throughout the agency's involvement with the family, to directly assist the family in accessing and utilizing services to maintain the Indian family, or reunify the Indian family as soon as safety can be assured if out of home placement has occurred;~~

~~(4) whether the child placing agency made early and ongoing efforts to identify, locate, and include extended family members;~~

~~(5) whether the child placing agency notified and consulted with the Indian child's extended family members, as identified by the child, the child's parents, or the Tribe; whether extended family members were consulted to provide support to the child and parents, to inform the child placing agency and court as to cultural connections and family~~

~~structure, to assist in identifying appropriate cultural services and supports for the child and parents, and to identify and serve as a placement and permanency resource for the child; and if there was difficulty contacting or engaging with extended family members, whether assistance was sought from the Tribe, the Department of Human Services, or other agencies with expertise in working with Indian families;~~

~~(6) whether the child placing agency provided services and resources to relatives who are considered the primary placement option for an Indian child, as agreed by the child placing agency and the Tribe, to overcome barriers to providing care to an Indian child. Services and resources shall include but are not limited to child care assistance, financial assistance, housing resources, emergency resources, and foster care licensing assistance and resources; and~~

~~(7) whether the child placing agency arranged for visitation to occur, whenever possible, in the home of the Indian child's parent, Indian custodian, or other family member or in another noninstitutional setting, in order to keep the child in close contact with parents, siblings, and other relatives regardless of the child's age and to allow the child and those with whom the child visits to have natural, unsupervised interaction when consistent with protecting the child's safety; and whether the child placing agency consulted with a Tribal representative to determine and arrange for visitation in the most natural setting that ensures the child's safety, when the child's safety requires supervised visitation.~~

Sec. 18. Minnesota Statutes 2023 Supplement, section 260.763, subdivision 1, is amended to read:

Subdivision 1. **Indian Tribe jurisdiction.** (a) An Indian Tribe has exclusive jurisdiction over all child placement proceedings involving an Indian child who resides or is domiciled within the reservation of the Tribe, except where jurisdiction is otherwise vested in the state by existing federal law. The child-placing agencies and the courts shall defer to a Tribal determination of the Tribe's exclusive jurisdiction when an Indian child resides or is domiciled within the reservation of the Tribe.

(b) Where an Indian child is a ward of the Tribal court, the Indian Tribe retains exclusive jurisdiction, notwithstanding the residence or domicile of the child unless the Tribe agrees to allow concurrent jurisdiction with the state.

(c) An Indian Tribe and the state of Minnesota share concurrent jurisdiction over a child placement proceeding involving an Indian child who resides or is domiciled outside of the reservation of the Tribe, or if the Tribe agrees to concurrent jurisdiction.

Sec. 19. Minnesota Statutes 2023 Supplement, section 260.763, subdivision 4, is amended to read:

Subd. 4. **Transfer of proceedings.** In any child placement proceeding, upon a motion or request by the Indian child's parent, Indian custodian, or Tribe, the court, in the absence of good cause to the contrary, shall transfer the proceeding to the jurisdiction of the Tribe absent objection by either of the Indian child's parent or the Indian custodian. The ~~petition~~ motion or request to transfer may be ~~filed~~ made by the Indian child's parent, the Indian custodian, or the Indian child's Tribe at any stage in the proceedings by: (1) filing a written motion with the court and serving the motion upon the other parties; or (2) making a request on the record during the hearing, which shall be reflected in the court's findings. A request or motion to transfer made by a Tribal representative of the Indian child's Tribe under this subdivision shall not be considered the unauthorized practice of law. The transfer is subject to declination by the Tribal court of the Tribe.

Sec. 20. Minnesota Statutes 2023 Supplement, section 260.763, subdivision 5, is amended to read:

Subd. 5. **Good cause to deny transfer.** (a) Establishing good cause to deny transfer of jurisdiction to a Tribal court is a fact-specific inquiry to be determined on a case-by-case basis. Socioeconomic conditions and the perceived adequacy of Tribal or Bureau of Indian Affairs social services or judicial systems must not be considered

in a determination that good cause exists. The party opposed to transfer of jurisdiction to a Tribal court has the burden to prove by clear and convincing evidence that good cause to deny transfer exists. Opposition to a motion to transfer jurisdiction to Tribal court must be in writing and must be served upon all parties.

(b) Upon a motion or request by an Indian child's parent, Indian custodian, or Tribe, the court ~~may find good cause to deny transfer to Tribal court if~~ shall transfer jurisdiction to a Tribal court unless the court determines that there is good cause to deny transfer based on the following:

(1) the Indian child's Tribe does not have a Tribal court or any other administrative body of a Tribe vested with authority over child placement proceedings, as defined in section 260.755, subdivision 3, to which the case can be transferred, and no other Tribal court has been designated by the Indian child's Tribe; or

(2) the evidence necessary to decide the case could not be adequately presented in the Tribal court without undue hardship to the parties or the witnesses and the Tribal court is unable to mitigate the hardship by any means permitted in the Tribal court's rules. Without evidence of undue hardship, travel distance alone is not a basis for denying a transfer.

Sec. 21. Minnesota Statutes 2023 Supplement, section 260.765, subdivision 2, is amended to read:

Subd. 2. **Notice.** When an Indian child is voluntarily placed ~~in foster care out of the care of the Indian child's parent or Indian custodian~~, the child-placing agency involved in the decision to place the Indian child shall give notice as described in section 260.761 of the placement to the Indian child's parent, parents, Indian custodian, and the Tribal social services agency within seven days of placement, excluding weekends and holidays.

If a child-placing agency makes a temporary voluntary ~~foster care~~ placement pending a decision on adoption by ~~a~~ an Indian child's parent or Indian custodian, notice of the placement shall be given to the Indian child's parents, Tribal social services agency, and the Indian custodian upon the filing of a petition for termination of parental rights or three months following the temporary placement, whichever occurs first.

Sec. 22. Minnesota Statutes 2023 Supplement, section 260.765, subdivision 3a, is amended to read:

Subd. 3a. **Court requirements for consent.** Where any parent or Indian custodian voluntarily consents to a ~~foster care~~ child placement or to termination of parental rights or adoption, the consent shall not be valid unless executed in writing and recorded before a judge and accompanied by the presiding judge's finding that the terms and consequences of the consent were fully explained in detail and were fully understood by the parent or Indian custodian. The court shall also find that either the parent or Indian custodian fully understood the explanation in English or that it was interpreted into a language the parent or Indian custodian understood. Any consent given prior to, or within ten days after, the birth of an Indian child shall not be valid.

Sec. 23. Minnesota Statutes 2023 Supplement, section 260.765, subdivision 4b, is amended to read:

Subd. 4b. **Collateral attack; vacation of decree and return of custody; limitations.** After the entry of a final decree of adoption of an Indian child in any state court, the Indian child's parent may withdraw consent upon the grounds that consent was obtained through fraud or duress and may petition the court to vacate the decree. Upon a finding that consent was obtained through fraud or duress, the court shall vacate the decree and return the Indian child to the Indian child's parent. No adoption that has been effective for at least two years may be invalidated under the provisions of this subdivision unless otherwise permitted under a provision of state law.

Sec. 24. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 1a, is amended to read:

Subd. 1a. **Active efforts.** In any child placement proceeding, the child-placing agency or ~~individual~~ petitioner shall ensure that appropriate active efforts as described in section 260.762 are provided to the Indian child's parent or parents, Indian custodian, and family to support reunification and preservation of the Indian child's placement with and relationship to the Indian child's extended family.

Sec. 25. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 1b, is amended to read:

Subd. 1b. **Placement preference.** In any child placement proceeding, the child-placing agency or ~~individual~~ petitioner shall follow the placement preferences described in section 260.773 or, where preferred placement is not available even with the provision of active efforts, shall follow section 260.773, subdivisions 12 to 15.

Sec. 26. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 1c, is amended to read:

Subd. 1c. **Identification of extended family members.** Any child-placing agency or ~~individual~~ petitioner considering placement of an Indian child shall ~~make ensure~~ active efforts are made to identify and locate siblings and extended family members and to explore placement with ~~an~~ extended family ~~member and facilitate continued involvement in the Indian child's life~~ members and ensure the Indian child's relationship with the Indian child's extended family and Tribe.

Sec. 27. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 2b, is amended to read:

Subd. 2b. **Appointment of counsel.** (a) In any state court child placement proceeding, including but not limited to any proceeding where the petitioner or another party seeks to temporarily or permanently remove an Indian child from the Indian child's parent or parents or Indian custodian, the Indian child's parent or parents or Indian custodian shall have the right to be represented by an attorney. If the parent or parents or Indian custodian cannot afford an attorney and meet the requirements of section 611.17, an attorney will be appointed to represent them.

(b) In any state court child placement proceeding, any Indian child ten years of age or older shall have the right to court-appointed counsel. The court may appoint counsel for any Indian child under ten years of age in any state court child placement proceeding if the court determines that appointment is appropriate and in the best interest of the Indian child.

(c) If the court appoints counsel to represent a person pursuant to this subdivision, the court shall appoint counsel to represent the person prior to the first hearing on the petition, but may appoint counsel at any stage of the proceeding if the court deems it necessary. The court shall not appoint a public defender to represent the person unless such appointment is authorized by section 611.14.

Sec. 28. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 2d, is amended to read:

Subd. 2d. **Tribal access to files and other documents.** At any subsequent stage of the child-placing agency or ~~petitioner's~~ involvement with an Indian child, the child-placing agency or ~~individual~~ petitioner shall, upon request, give the Tribal social services agency full cooperation including access to all files concerning the Indian child. If the files contain confidential or private data, the child-placing agency or ~~individual~~ petitioner may require execution of an agreement with the Tribal social services agency specifying that the Tribal social services agency shall maintain the data according to statutory provisions applicable to the data.

Sec. 29. Minnesota Statutes 2023 Supplement, section 260.771, is amended by adding a subdivision to read:

Subd. 2f. Participation of Indian child's Tribe in court proceedings. (a) In any child placement proceeding that involves an Indian child, any Tribe that the Indian child may be eligible for membership in, as determined by the Tribe, is a party to the proceedings without the need to file a motion.

(b) An Indian child's Tribe, Tribal representative, or attorney representing the Tribe:

(1) may appear remotely at hearings by telephone, video conference, or other electronic medium without prior request;

(2) is not required to use the court's electronic filing and service system and may use United States mail, facsimile, or other alternative method for filing and service;

(3) may file documents with the court using an alternative method that the clerk of court shall accept and file electronically;

(4) is exempt from any filing fees required under section 357.021; and

(5) is exempt from the pro hac vice requirements of Rule 5 of the Minnesota General Rules of Practice.

Sec. 30. Minnesota Statutes 2023 Supplement, section 260.771, subdivision 6, is amended to read:

Subd. 6. Qualified expert witness and evidentiary requirements. (a) ~~In an~~ any involuntary ~~foster-care~~ placement proceeding, the court must determine by clear and convincing evidence, including testimony of a qualified expert witness, that continued custody of the Indian child by the parent or Indian custodian is likely to result in serious emotional damage or serious physical damage to the Indian child.

In a termination of parental rights proceeding, the court must determine by evidence beyond a reasonable doubt, including testimony of a qualified expert witness, that continued custody of the Indian child by the parent or Indian custodian is likely to result in serious emotional damage or serious physical damage to the Indian child.

In an involuntary permanent transfer of legal and physical custody ~~proceeding~~, permanent custody to the agency ~~proceeding~~, temporary custody to the agency, or other permanency proceeding, the court must determine by clear and convincing evidence, including testimony of a qualified expert witness, that the continued custody of the Indian child by the Indian child's parent or parents or Indian custodian is likely to result in serious emotional damage or serious physical damage to the Indian child. Qualified expert witness testimony is not required where custody is transferred to the Indian child's parent.

Testimony of a qualified expert witness shall be provided for involuntary ~~foster-care~~ child placement and permanency proceedings independently.

(b) The child-placing agency, ~~individual~~ petitioner, or any other party shall make diligent efforts to locate and present to the court a qualified expert witness designated by the Indian child's Tribe. The qualifications of a qualified expert witness designated by the Indian child's Tribe are not subject to a challenge in Indian child placement proceedings.

(c) If a party cannot obtain testimony from a Tribally designated qualified expert witness, the party shall submit to the court the diligent efforts made to obtain a Tribally designated qualified expert witness.

(d) If clear and convincing evidence establishes that a party's diligent efforts cannot produce testimony from a Tribally designated qualified expert witness, the party shall demonstrate to the court that a proposed qualified expert witness is, in descending order of preference:

(1) a member of the Indian child's Tribe who is recognized by the Indian child's Tribal community as knowledgeable in Tribal customs as they pertain to family organization and child-rearing practices; or

(2) an Indian person from an Indian community who has substantial experience in the delivery of child and family services to Indians and extensive knowledge of prevailing social and cultural standards and contemporary and traditional child-rearing practices of the Indian child's Tribe.

If clear and convincing evidence establishes that diligent efforts have been made to obtain a qualified expert witness who meets the criteria in clause (1) or (2), but those efforts have not been successful, a party may use an expert witness, as defined by the Minnesota Rules of Evidence, rule 702, who has substantial experience in providing services to Indian families and who has substantial knowledge of prevailing social and cultural standards and child-rearing practices within the Indian community. The court or any party may request the assistance of the Indian child's Tribe or the Bureau of Indian Affairs agency serving the Indian child's Tribe in locating persons qualified to serve as expert witnesses.

(e) The court may allow alternative methods of participation and testimony in state court proceedings by a qualified expert witness, such as participation or testimony by telephone, ~~videoconferencing~~ video conference, or other ~~methods~~ electronic medium.

Sec. 31. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 1, is amended to read:

Subdivision 1. **Least restrictive setting.** In all proceedings where custody of the Indian child may be removed from the Indian child's parent or Indian custodian, the Indian child shall be placed in the least restrictive setting which most approximates a family and in which the Indian child's special needs, if any, may be met. The Indian child shall also be placed within reasonable proximity to the Indian child's home, taking into account any special needs of the Indian child.

Sec. 32. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 2, is amended to read:

Subd. 2. **Tribe's order of placement recognized.** In the case of a placement under subdivision 3 or 4, if the Indian child's Tribe has established a different order of placement preference by resolution, the child-placing agency or petitioner and the court shall recognize the Indian child's Tribe's order of placement in the form provided by the Tribe.

Sec. 33. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 3, is amended to read:

Subd. 3. **Placement ~~options~~ preferences for temporary proceedings.** Preference shall be given, in the absence of good cause to the contrary, to a placement with:

(1) a noncustodial parent or Indian custodian;

(2) a member of the Indian child's extended family;

(3) a foster home licensed, approved, or specified by the Indian child's Tribe;

(4) an Indian foster home licensed or approved by an authorized non-Indian licensing authority; or

(5) an institution for children approved by an Indian Tribe or operated by an Indian organization which has a program suitable to meet the Indian child's needs.

Sec. 34. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 4, is amended to read:

Subd. 4. **Placement ~~preference~~ preferences for permanent proceedings.** In any adoptive placement, transfer of custody placement, or other permanency placement of an Indian child, a preference shall be given, in the absence of good cause to the contrary, to a placement with:

- (1) the Indian child's noncustodial parent or Indian custodian;
- (2) a member of the Indian child's extended family;
- (3) other members of the Indian child's Tribe; or
- (4) other persons or entities recognized as appropriate to be a permanency resource for the Indian child, by the Indian child's parent or parents, Indian custodian, or Indian Tribe.

Sec. 35. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 5, is amended to read:

Subd. 5. **Suitability of placement.** The county child-placing agency and petitioner shall defer to the judgment of the Indian child's Tribe as to the suitability of a placement.

Sec. 36. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 10, is amended to read:

Subd. 10. **Exceptions to placement preferences.** The court shall follow the placement preferences in subdivisions 1 to 9, except as follows:

(1) where a parent evidences a desire for anonymity, the child-placing agency or petitioner and the court shall give weight to the parent's desire for anonymity in applying the preferences. A parent's desire for anonymity does not excuse the application of sections 260.751 to 260.835; or

(2) where the court determines there is good cause based on:

(i) the reasonable request of the Indian child's parents, if one or both parents attest that they have reviewed the placement options that comply with the order of placement preferences;

(ii) the reasonable request of the Indian child if the Indian child is able to understand and comprehend the decision that is being made;

(iii) the testimony of a qualified expert designated by the Indian child's Tribe and, if necessary, testimony from an expert witness who meets qualifications of section 260.771, subdivision 6, paragraph (d), clause (2), that supports placement outside the order of placement preferences due to extraordinary physical or emotional needs of the Indian child that require highly specialized services; or

(iv) the testimony by the child-placing agency or petitioner that a diligent search has been conducted that did not locate any available, suitable families for the Indian child that meet the placement preference criteria.

Sec. 37. Minnesota Statutes 2023 Supplement, section 260.773, subdivision 11, is amended to read:

Subd. 11. **Factors considered in determining placement.** Testimony of the Indian child's bonding or attachment to a foster family alone, without the existence of at least one of the factors in subdivision 10, clause (2), shall not be considered good cause to keep an Indian child in a lower preference or nonpreference placement. Ease of visitation and facilitation of relationship with the Indian child's parents, Indian custodian, extended family, or Tribe may be considered when determining placement.

Sec. 38. Minnesota Statutes 2023 Supplement, section 260.774, subdivision 1, is amended to read:

Subdivision 1. **Improper removal.** In any proceeding where custody of the Indian child was improperly removed from the parent or ~~parents~~ Indian custodian or where the petitioner has improperly retained custody after a visit or other temporary relinquishment of custody, the court shall decline jurisdiction over the petition and shall immediately return the Indian child to the Indian child's parent ~~or parents~~ or Indian custodian unless returning the Indian child to the Indian child's parent ~~or parents~~ or Indian custodian would subject the Indian child to a substantial and immediate danger or threat of such danger.

Sec. 39. Minnesota Statutes 2023 Supplement, section 260.774, subdivision 2, is amended to read:

Subd. 2. **Invalidation.** (a) Any order for ~~out-of-home~~ child placement, transfer of custody, termination of parental rights, or other permanent change in custody of an Indian child shall be invalidated upon a showing, by a preponderance of the evidence, that a violation of any one of the provisions in section 260.761, 260.762, 260.763, 260.765, 260.771, 260.773, or 260.7745 has occurred.

(b) The Indian child, the Indian child's parent or parents, guardian, Indian custodian, or Indian Tribe may file a petition or motion to invalidate under this subdivision.

(c) Upon a finding that a violation of one of the provisions in section 260.761, 260.762, 260.763, 260.765, 260.771, 260.773, or 260.7745 has occurred, the court shall:

(1) dismiss the petition without prejudice; ~~and~~

(2) return the Indian child to the care, custody, and control of the parent or parents or Indian custodian, unless the Indian child would be subjected to imminent physical damage or harm; ~~and~~

(3) determine whether the Indian child's parent or Indian custodian has been assessed placement costs and order reimbursement of those costs.

(d) Upon a finding that a willful, intentional, knowing, or reckless violation of one of the provisions in section 260.761, 260.762, 260.763, 260.765, 260.771, 260.773, or 260.7745 has occurred, the court may consider whether sanctions, reasonable costs, and attorney fees should be imposed against the offending party.

Sec. 40. Minnesota Statutes 2023 Supplement, section 260.774, subdivision 3, is amended to read:

Subd. 3. **Return of custody following adoption.** (a) Whenever a final decree of adoption of an Indian child has been vacated, set aside, or there is a termination of the parental rights of the adoptive parents to the Indian child, a biological parent or prior Indian custodian may petition for return of custody and the court shall grant the petition unless there is a showing, in proceedings subject to the provision of sections 260.751 to 260.835, that the return of custody is not in the best interests of the Indian child.

(b) The county attorney, Indian child, Indian child's Tribe, Indian custodian, or ~~a~~ an Indian child's parent whose parental rights were terminated under a previous order of the court may file a petition for the return of custody.

(c) A petition for return of custody may be filed in court when:

(1) the parent or Indian custodian has corrected the conditions that led to an order terminating parental rights;

(2) the parent or Indian custodian is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the Indian child; and

(3) the adoption has been vacated, set aside, or termination of the parental rights of the adoptive parents to the Indian child has occurred.

(d) A petition for reestablishment of the legal parent and child relationship for ~~a~~ an Indian child who has not been adopted must meet the requirements in section 260C.329.

Sec. 41. Minnesota Statutes 2022, section 260.775, is amended to read:

260.775 PLACEMENT RECORDS.

(a) The commissioner of human services shall publish annually an inventory of all Indian children in residential facilities. The inventory shall include, by county and statewide, information on legal status, living arrangement, age, sex, Tribe in which the Indian child is a member or eligible for membership, accumulated length of time in foster care, and other demographic information deemed appropriate concerning all Indian children in residential facilities. The report must also state the extent to which authorized child-placing agencies comply with the order of preference described in United States Code, title 25, section 1901, et seq. The commissioner shall include the information required under this paragraph in the annual report on child maltreatment and on children in ~~out-of-home~~ placement under section 257.0725.

(b) This section expires January 1, 2032.

Sec. 42. Minnesota Statutes 2023 Supplement, section 260.781, subdivision 1, is amended to read:

Subdivision 1. **Court decree information.** (a) A state court entering a final decree or order in an Indian child adoptive placement shall provide the Department of Human Services and the child's Tribal social services agency with a copy of the decree or order together with such other information to show:

- (1) the name and Tribal affiliation of the Indian child;
- (2) the names and addresses of the biological parents and Indian custodian, if any;
- (3) the names and addresses of the adoptive parents; and
- (4) the identity of any agency having files or information relating to the adoptive placement.

If the court records contain an affidavit of the biological or adoptive ~~parent or parents~~ or Indian custodian requesting anonymity, the court shall delete the name and address of the biological or adoptive parents or Indian custodian from the information sent to the Indian child's Tribal social services agency. The court shall include the affidavit with the other information provided to the Minnesota Department of Human Services and the Secretary of the Interior. The Minnesota Department of Human Services shall and the Secretary of the Interior is requested to ensure that the confidentiality of the information is maintained and the information shall not be subject to the Freedom of Information Act, United States Code, title 5, section 552, as amended.

(b) For:

- (1) disclosure of information for ~~enrollment~~ membership of an Indian child in the Tribe;
- (2) determination of member rights or benefits; or

(3) certification of entitlement to membership upon the request of the adopted Indian child over the age of eighteen, the adoptive or foster parents of an Indian child, or an Indian Tribe,

the Secretary of the Interior is requested to disclose any other necessary information for the membership of an Indian child in the Tribe in which the Indian child may be eligible for membership or for determining any rights or benefits associated with that membership. Where the documents relating to the Indian child contain an affidavit from the biological parent or ~~parents~~ Indian custodian requesting anonymity, the Secretary of the Interior is requested to certify to the Indian child's Tribe, where the information warrants, that the Indian child's parentage and other circumstances of birth entitle the Indian child to membership under the criteria established by the Tribe.

Sec. 43. Minnesota Statutes 2022, section 260.785, subdivision 1, is amended to read:

Subdivision 1. **Primary support grants.** The commissioner shall establish direct grants to Indian Tribes, Indian organizations, and Tribal social services agency programs located off-reservation that serve Indian children and their families to provide primary support for Indian child welfare programs to implement the Minnesota Indian Family Preservation Act.

Sec. 44. Minnesota Statutes 2022, section 260.785, subdivision 3, is amended to read:

Subd. 3. **Compliance grants.** The commissioner shall establish direct grants to an Indian child welfare defense corporation, as defined in Minnesota Statutes 1996, section 611.216, subdivision 1a, to promote statewide compliance with the Minnesota Indian Family Preservation Act and the Indian Child Welfare Act, United States Code, title 25, section 1901, et seq. The commissioner shall give priority consideration to applicants with demonstrated capability of providing legal advocacy services statewide.

Sec. 45. Minnesota Statutes 2023 Supplement, section 260.786, subdivision 2, is amended to read:

Subd. 2. **Purposes.** Money must be used to address staffing for responding to notifications under the federal 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.

Sec. 46. Minnesota Statutes 2023 Supplement, section 260.795, subdivision 1, is amended to read:

Subdivision 1. **Types of services.** (a) Eligible Indian child welfare services provided under primary support grants include:

- (1) placement prevention and reunification services;
- (2) family-based services;
- (3) individual and family counseling;
- (4) access to professional individual, group, and family counseling;
- (5) crisis intervention and crisis counseling;
- (6) development of foster and adoptive placement resources, including recruitment, licensing, and support;
- (7) court advocacy;

(8) training and consultation to county and private social services agencies regarding the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act;

(9) advocacy in working with the county and private social services agencies, and activities to help provide access to agency services, including but not limited to 24-hour caretaker and homemaker services, day care, emergency shelter care up to 30 days in 12 months, access to emergency financial assistance, and arrangements to provide temporary respite care to a family for up to 72 hours consecutively or 30 days in 12 months;

(10) transportation services to the child and parents to prevent placement or reunite the family; and

(11) other activities and services approved by the commissioner that further the goals of the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, including but not limited to recruitment of Indian staff for child-placing agencies and licensed child-placing agencies. The commissioner may specify the priority of an activity and service based on its success in furthering these goals.

(b) Eligible services provided under special focus grants include:

(1) permanency planning activities that meet the special needs of Indian families;

(2) teenage pregnancy;

(3) independent living skills;

(4) family and community involvement strategies to combat child abuse and chronic neglect of children;

(5) coordinated child welfare and mental health services to Indian families;

(6) innovative approaches to assist Indian youth to establish better self-image, decrease isolation, and decrease the suicide rate;

(7) expanding or improving services by packaging and disseminating information on successful approaches or by implementing models in Indian communities relating to the development or enhancement of social structures that increase family self-reliance and links with existing community resources;

(8) family retrieval services to help adopted individuals reestablish legal affiliation with the Indian Tribe; and

(9) other activities and services approved by the commissioner that further the goals of the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act. The commissioner may specify the priority of an activity and service based on its success in furthering these goals.

(c) The commissioner shall give preference to programs that use Indian staff, contract with Indian organizations or Tribes, or whose application is a joint effort between the Indian and non-Indian community to achieve the goals of the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act. Programs must have input and support from the Indian community.

Sec. 47. Minnesota Statutes 2022, section 260.810, subdivision 3, is amended to read:

Subd. 3. **Final report.** A final evaluation report must be submitted by each approved program to the commissioner. It must include client outcomes, cost and effectiveness in meeting the goals of the Minnesota Indian Family Preservation Act and permanency planning goals. The commissioner must compile the final reports into one document and provide a copy to each Tribe.

Sec. 48. **REPEALER.**

Minnesota Statutes 2022, section 260.755, subdivision 13, is repealed.

ARTICLE 2
CONFORMING CHANGES

Section 1. Minnesota Statutes 2022, section 259.20, subdivision 2, is amended to read:

Subd. 2. **Other applicable law.** (a) Portions of chapters 245A, 245C, 257, 260, and 317A may also affect the adoption of a particular child.

(b) Provisions of the Indian Child Welfare Act, United States Code, title 25, chapter 21, sections 1901-1923, ~~may also~~ and the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835 apply in the adoption of an Indian child, ~~and may preempt specific provisions of this chapter as described in section 259.201.~~

(c) Consistent with section 245C.33 and Public Law 109-248, a completed background study is required before the approval of any foster or adoptive placement in a related or an unrelated home.

Sec. 2. **[259.201] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.**

Adoption proceedings under this chapter that involve an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; by section 259.20, subdivision 2, paragraph (b); and by this chapter when not inconsistent with the federal Indian Child Welfare Act and the Minnesota Indian Family Preservation Act.

Sec. 3. Minnesota Statutes 2022, section 260C.007, subdivision 26b, is amended to read:

Subd. 26b. **Relative of an Indian child.** "Relative of an Indian child" means a person who is a member of the Indian child's family as defined in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1903, paragraphs (2), (6), and (9), and who is an extended family member as defined in section 260.755, subdivision 5b, of the Minnesota Indian Family Preservation Act.

Sec. 4. Minnesota Statutes 2022, section 260C.178, subdivision 1, as amended by Laws 2024, chapter 80, article 8, section 24, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time that the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue to be in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines that there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child:

(1) into the care of the child's noncustodial parent and order the noncustodial parent to comply with any conditions that the court determines appropriate to ensure the safety and care of the child, including requiring the noncustodial parent to cooperate with paternity establishment proceedings if the noncustodial parent has not been adjudicated the child's father; or

(2) into foster care as defined in section 260C.007, subdivision 18, under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that the agency has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. The court shall not make a reasonable efforts determination under this clause unless the court is satisfied that the agency has sufficiently demonstrated to the court that there were no services or other efforts that the agency was able to provide at the time of the hearing enabling the child to safely remain home or to safely return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered that would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph (g) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

(f) If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(g) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

(h) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under a juvenile protection proceeding or a similar process of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

(k) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.

(l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(m) When the court has ordered the child into the care of a noncustodial parent or in foster care, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212, subdivision 1, or the child protective services plan under section 260E.26, and Minnesota Rules, part 9560.0228.

(n) When the court has ordered an Indian child into an emergency child placement, the Indian child shall be placed according to the placement preferences in the Minnesota Indian Family Preservation Act, section 260.773.

Sec. 5. Minnesota Statutes 2022, section 260C.505, is amended to read:

260C.505 PETITION.

(a) A permanency or termination of parental rights petition must be filed at or prior to the time the child has been in foster care or in the care of a noncustodial or nonresident parent for 11 months or in the expedited manner required in section 260C.503, subdivision 2, paragraph (a). The court administrator shall serve the petition as required in the Minnesota Rules of Juvenile Protection Procedure and section 260C.152 for the admit-deny hearing on the petition required in section 260C.507.

(b) A petition under this section is not required if the responsible social services agency intends to recommend that the child return to the care of the parent from whom the child was removed, or if a six-month extension of permanency timelines described in section 260C.204 is anticipated, at or prior to the time the court is required to hold the admit-deny hearing required under section 260C.507.

Sec. 6. Minnesota Statutes 2022, section 260D.01, is amended to read:

260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

(a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the responsible social services agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under sections 256B.092 and 260C.157 and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for an emotional disturbance or developmental disability or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or a related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child;

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the child's diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the child by the responsible social services agency's screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016; and

(5) includes the requirements for a child's placement in sections 260C.70 to 260C.714, when the juvenile treatment screening team recommends placing a child in a qualified residential treatment program, except as modified by this chapter.

(d) This chapter does not apply when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's emotional disturbance or developmental disability or related condition. When there is a determination under chapter 260E that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's emotional disturbance or developmental disability or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure that a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires out-of-home placement and the child cannot be maintained in the home of the parent; and

(3) to ensure that the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, when necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs;

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community;

(4) engaging with the responsible social services agency to ensure that the family and permanency team under section 260C.706 consists of appropriate family members. For purposes of voluntary placement of a child in foster care for treatment under chapter 260D, prior to forming the child's family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals unless the individual is a treating professional or an important connection to the youth as outlined in the case or crisis plan; and

(5) for a voluntary placement under this chapter in a qualified residential treatment program, as defined in section 260C.007, subdivision 26d, for purposes of engaging in a relative search as provided in section 260C.221, the county agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which adult relatives the county agency should notify. If the child, child's parents, or legal guardians raise concerns about specific relatives, the county agency should not notify those relatives.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply. ~~This chapter shall be construed consistently with the requirements of the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et al., and the provisions of the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.~~

Sec. 7. [260D.011] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.

Proceedings under this chapter concerning an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; and by this chapter when not inconsistent with the federal Indian Child Welfare Act or the Minnesota Indian Family Preservation Act.

Sec. 8. [260E.015] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.

Proceedings under this chapter concerning an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; and by this chapter when not inconsistent with the federal Indian Child Welfare Act or the Minnesota Indian Family Preservation Act.

Sec. 9. [524.5-2011] COMPLIANCE WITH FEDERAL INDIAN CHILD WELFARE ACT AND MINNESOTA INDIAN FAMILY PRESERVATION ACT.

Proceedings under this chapter concerning an Indian child are child custody proceedings governed by the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1963; by the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835; and by this chapter when not inconsistent with the federal Indian Child Welfare Act or the Minnesota Indian Family Preservation Act.

Sec. 10. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; STUDY OF CHILD PLACEMENT AND PERMANENCY; PRACTICE RECOMMENDATIONS.

Subdivision 1. Study parameters. By September 1, 2024, the commissioner of human services shall contract with an independent consultant to evaluate the effects of child placement in foster care and out-of-home settings on the safety, permanency, and well-being of the child. The study must be designed to evaluate the system overall for a child's placement and permanency. The study shall identify and evaluate factors designed to ensure emotional and physical safety of the child in the context of child placement and permanency dispositions and shall include an analysis of structuring out-of-home placement decisions, reunification timelines, and service provisions to best allow the parents to engage in positive parenting of the child. The goal is to determine guidelines for when to place a child out-of-home, who to place the child with, when and how to keep the child connected to family and community, and what timelines support building a stable base for the child's parents to engage in necessary treatment, including but not limited to substance use or mental health treatment, before undertaking parenting responsibilities.

(b) The study shall take into account the educational and behavioral development, mental health functioning, and placement stability of the child. The study shall also take into consideration the social, financial, and whole health of the family unit.

Subd. 2. **Collaboration with interested parties.** The consultant shall design the study with an advisory group consisting of:

- (1) the commissioner of human services, or a designee;
- (2) the commissioner of children, youth, and families, or a designee;
- (3) the ombudsperson for foster youth, or a designee;
- (4) a representative from the Association of Minnesota Counties appointed by the association;
- (5) two members representing county social services agencies, one from the seven-county metropolitan area and one from Greater Minnesota;
- (6) one member appointed by the Minnesota Council on Disability;
- (7) one member appointed by the Indian Child Welfare Advisory Council;
- (8) one member appointed by the Ombudsperson for American Indian Families;
- (9) one member appointed by the Children's Alliance;
- (10) up to four members appointed by the ombudsperson for families;
- (11) up to four members from the Children's Justice Task Force; and
- (12) members of the public appointed by the governor representing:
 - (i) one member 18 years of age who has lived experience with the child welfare system;
 - (ii) one member 18 years of age or older who has lived experience with the child welfare system as a parent or caregiver;
 - (iii) one member who is working with or advocating for children with disabilities;
 - (iv) one member with experience working with or advocating for LGBTQ youth;
 - (v) one member working with or advocating for Indigenous children;
 - (vi) one member working with or advocating for black children or youth;
 - (vii) one member working with or advocating for other children of color;
 - (viii) one member who is an attorney representing children in child placement proceedings;
 - (ix) one member who is a Tribal attorney in child placement proceedings;

(x) one member who is an attorney representing parents in child placement proceedings;

(xi) one member with experience in children's mental health;

(xii) one member with experience in adult mental health; and

(xiii) one member who is a substance abuse professional.

Subd. 3. **Report.** By September 1, 2027, the consultant shall submit a final report to the commissioner of human services and to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services. The final report must include a recommendation on the optimal time frame for child placement in foster care or out-of-home placement. The commissioner of human services shall include a report on needed statutory changes as a result of the consultant's report.

Subd. 4. **Appropriation.** \$..... in fiscal year 2025 and \$..... in fiscal year 2026 are appropriated from the general fund to the commissioner of human services to carry out the study required under this section.

Sec. 11. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; TIMELINES.**

The commissioner of human services shall prepare legislation to be introduced in the 2025 legislative session that will change the timelines in Minnesota Statutes dealing with out-of-home permanency placement of children from 12 months to 15 months for a admit/deny hearing."

Delete the title and insert:

"A bill for an act relating to children; making changes to the Minnesota Indian Family Preservation Act; making conforming statutory changes; requiring a study of child placement and permanency; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 259.20, subdivision 2; 260.755, subdivisions 2a, 5, 14, 17a, by adding subdivisions; 260.775; 260.785, subdivisions 1, 3; 260.810, subdivision 3; 260C.007, subdivision 26b; 260C.178, subdivision 1, as amended; 260C.505; 260D.01; Minnesota Statutes 2023 Supplement, sections 260.755, subdivisions 1a, 3, 3a, 5b, 20, 22; 260.758, subdivisions 2, 4, 5; 260.761; 260.762; 260.763, subdivisions 1, 4, 5; 260.765, subdivisions 2, 3a, 4b; 260.771, subdivisions 1a, 1b, 1c, 2b, 2d, 6, by adding a subdivision; 260.773, subdivisions 1, 2, 3, 4, 5, 10, 11; 260.774, subdivisions 1, 2, 3; 260.781, subdivision 1; 260.786, subdivision 2; 260.795, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 259; 260D; 260E; 524; repealing Minnesota Statutes 2022, section 260.755, subdivision 13."

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4838 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 5049, A bill for an act relating to family law; providing rights for parents with disabilities; amending Minnesota Statutes 2022, sections 259.53, by adding a subdivision; 260C.201, by adding a subdivision; 518.1751, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 15, after the period, insert "(b)" and after "agency" insert "that conducted the postplacement assessment and filed the report with the court under subdivision 2"

Page 1, line 16, before the period, insert ", conduct a new postplacement assessment that is inclusive of the prospective parent's use of supportive parenting services, and file a revised report with the court under subdivision 2. This paragraph does not confer additional responsibility to the agency to provide supportive parenting services directly to the prospective parent"

Page 1, line 17, delete everything after the period

Page 1, delete lines 18 and 19

Page 1, line 20, delete "(b)" and insert "(c)" and delete "rights" and insert "ability"

Page 1, after line 23, insert:

"(d) For purposes of this subdivision, "disability" and "supportive parenting services" have the meanings given in section 260C.141, subdivision 1a."

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2022, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03, subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including

appropriate nutrition, hydration, and medication which, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment:

- (i) the infant is chronically and irreversibly comatose;
 - (ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or
 - (iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;
- (6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;
- (7) has been placed for adoption or care in violation of law;
- (8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian. A child is not considered to be without proper parental care based solely on the disability of the child's parent, guardian, or custodian;
- (9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;
- (10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;
- (11) is a sexually exploited youth;
- (12) has committed a delinquent act or a juvenile petty offense before becoming ten years old;
- (13) is a runaway;
- (14) is a habitual truant;
- (15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or
- (16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child.

Sec. 3. Minnesota Statutes 2022, section 260C.141, is amended by adding a subdivision to read:

Subd. 1a. **Supportive parenting services.** (a) A person or agency shall not file a petition alleging that a child is in need of protection or services on the basis of a parent's disability. To make a prima facie showing that a child protection matter exists, the petitioner must demonstrate in the petition that the child is in need of protection or services due to specific behaviors of a parent or household member. The local agency or court must offer a parent with a disability the opportunity to use supportive parenting services to assist the parent if the petitioner makes a prima facie showing that through specific behaviors, a parent with a disability cannot provide for the child's safety, health, or welfare. If a court removes a child from a parent's home, the court shall make specific written findings stating the basis for removing the child and why providing supportive parenting services is not a reasonable accommodation that could prevent the child's out-of-home placement.

(b) For purposes of this subdivision, "supportive parenting services" means services that may assist a parent with a disability in the effective use of techniques and methods to enable the parent to discharge the parent's responsibilities to a child as successfully as a parent who does not have a disability, including nonvisual techniques for a parent who is blind.

(c) For purposes of this subdivision, "disability" means:

(1) physical or mental impairment that substantially limits one or more of a parent's major life activities;

(2) a record of having a physical or mental impairment that substantially limits one or more of a parent's major life activities; or

(3) being regarded as having a physical or mental impairment that substantially limits one or more of a parent's major life activities.

(d) The term "disability" must be construed in accordance with the ADA Amendments Act of 2008, Public Law 110-325."

Page 3, line 3, delete everything after the period

Page 3, delete line 4

Page 3, after line 9, insert:

"(c) For purposes of this subdivision, "disability" and "supportive parenting services" have the meanings given in section 260C.141, subdivision 1a."

Page 3, line 11, delete "3" and insert "4"

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 5049 was re-referred to the Committee on Rules and Legislative Administration.

Newton from the Committee on Veterans and Military Affairs Finance and Policy to which was referred:

H. F. No. 5181, A bill for an act relating to state government; modifying appropriations for the Department of Military Affairs and the Department of Veterans Affairs; increasing the maximum bonded indebtedness allowed for the State Armory Building Commission; designating Gopher Gunners Memorial Bridge; amending Minnesota Statutes 2022, sections 161.14, by adding a subdivision; 193.143; Laws 2023, chapter 38, article 1, sections 2, subdivisions 1, 4; 3, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 105. **Gopher Gunners Memorial Bridge.** (a) The bridge on marked Trunk Highway 55 and Trunk Highway 62, crossing the Minnesota River, commonly known as the Mendota Bridge, is named and designated as "Gopher Gunners Memorial Bridge." Notwithstanding section 161.139, the commissioner must adopt a suitable marking design to mark this bridge and erect appropriate signs.

(b) The adjutant general of the Department of Military Affairs must reimburse the commissioner of transportation for costs incurred under this subdivision.

Sec. 2. Minnesota Statutes 2022, section 193.143, is amended to read:

193.143 STATE ARMORY BUILDING COMMISSION, POWERS.

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the power of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of ~~\$15,000,000~~ \$45,000,000.

(4) To provide partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

(6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

(7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

(8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

(9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) to pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) to pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) if any further excess money remains, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized, provided that any bonds so purchased shall thereupon be canceled.

(10) To adopt and use a corporate seal.

(11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

(12) Such corporation shall issue no stock.

(13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

(14) The Minnesota State Armory Building Commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota State Armory Building Commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, and debt service of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

(15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

(16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota State Armory Building Commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 3. Laws 2023, chapter 38, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. Veterans Health Care	90,025,000	100,797,000
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(a) The base for this appropriation in fiscal year 2026 is \$93,387,000 and \$94,435,000 in fiscal year 2027 and each fiscal year thereafter.

(b) \$88,885,000 the first year and \$99,847,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. If the amount available in fiscal year 2024 is insufficient, the amount appropriated in fiscal year 2025 is available in fiscal year 2024. The base for this transfer is \$92,437,000 in fiscal year 2026 and \$93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) \$400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(e) \$190,000 the first year is for the working group established under article 2, section 8.

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

Correct the title numbers accordingly

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

The report was adopted.

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 5216, A bill for an act relating to public safety; providing for funding and related policy changes to the Department of Public Safety, Department of Corrections, and the Clemency Review Commission; appropriating money; amending Minnesota Statutes 2022, sections 299A.73, subdivision 4; 609.02, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 244.41, subdivisions 6, 14, by adding a subdivision; 244.46, subdivisions 1, 2; 299A.49, subdivisions 8, 9; 401.10, subdivision 1; 609A.06, subdivision 2; 638.09, subdivision 5; Laws 2023, chapter 52, article 2, sections 3, subdivision 5; 6, subdivisions 1, 4; article 8, section 20, subdivision 3; Laws 2023, chapter 63, article 5, section 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
PUBLIC SAFETY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2023, chapter 52, article 2, 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 addition to or subtraction from the appropriation listed under them is 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. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2024, are effective the day following final enactment.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>PUBLIC SAFETY</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$11,290,000</u>
<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>-0-</u>	<u>9,840,000</u>
<u>911 Fund</u>	<u>-0-</u>	<u>1,450,000</u>

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

Subd. 2. <u>Public Safety Administration</u>	<u>-0-</u>	<u>183,000</u>
(a) <u>Task Force on Domestic Violence and Firearms</u>		

\$50,000 in fiscal year 2025 is to provide administrative support including meeting space and administrative assistance, or to hire or contract with another party to provide any portion of that support, for the Task Force on Domestic Violence and Firearms. This is a onetime appropriation.

(b) Motor Vehicle Registration Compliance Working Group

\$133,000 in fiscal year 2025 is for administrative support for the Motor Vehicle Registration Compliance Working Group. This is a onetime appropriation.

Subd. 3. Office of Justice Programs-0-9,657,000**(a) Direct Assistance to Crime Victim Survivors**

\$9,557,000 in fiscal year 2025 is to provide grants to organizations that received a grant from the crime victim services unit in fiscal year 2024. Grants must be used for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. This appropriation is onetime and is in addition to any amount previously appropriated for this purpose.

(b) Law Enforcement Therapy Dog Grant Program

\$100,000 in fiscal year 2025 is to issue grants to law enforcement agencies to acquire, train, and maintain therapy dogs to aid in treating peace officers suffering from job-related trauma and post-traumatic stress disorder and to assist in responding to calls involving persons in crisis. Eligible law enforcement agencies may receive grants of up to \$10,000. Interested law enforcement agencies must submit an application to the commissioner on a form prepared by the commissioner. The commissioner must give preference to applicants that demonstrate that the agency's peace officers suffer a high rate of job-related trauma or post-traumatic stress disorder or are exposed regularly to high-stress incidents that are known to cause job-related trauma or post-traumatic stress disorder. This is a onetime appropriation.

Each grant recipient must report to the commissioner of public safety and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety policy and finance on how the grant was expended. The report must include an overview of the grant recipient's budget, a detailed explanation of how grant funds were expended, the number of dogs trained with grant funds, the number of peace

officers served by dogs trained with grant funds, and a list and explanation of the benefits received by peace officers who were served by dogs trained with grant funds. An initial report is due by January 15, 2025, and a final report is due by January 15, 2026.

<u>Subd. 4. Emergency Communication Networks</u>	<u>-0-</u>	<u>1,450,000</u>
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Appropriations by Fund

911 Fund	<u>-0-</u>	<u>1,450,000</u>
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Public Safety Answering Points

\$1,450,000 in fiscal year 2025 is for administrative and software costs and rulemaking to establish and review 911 public safety telecommunicator certification and continuing education standards as described in Minnesota Statutes, section 403.053. The base for this appropriation is \$1,000,000 beginning in fiscal year 2026.

Sec. 3. **CORRECTIONS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$5,900,000</u>	<u>\$2,000,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Facility Operation</u>	<u>5,900,000</u>	<u>2,000,000</u>
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Operating Deficiency

\$5,900,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for the operation of correctional facilities. The base for this appropriation is \$7,091,000 beginning in fiscal year 2026.

Sec. 4. <u>CLEMENCY REVIEW COMMISSION</u>	<u>\$-0-</u>	<u>\$986,000</u>
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\$986,000 in fiscal year 2025 is for the Clemency Review Commission described in Minnesota Statutes, section 638.09. Of this amount, \$200,000 in the second year is for grants to support outreach and clemency application assistance.

Sec. 5. <u>MINNESOTA MANAGEMENT AND BUDGET</u>	<u>\$-0-</u>	<u>\$150,000</u>
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\$150,000 in fiscal year 2025 is for the Office of Addiction and Recovery to provide support staff, office and meeting space, and administrative services for the Task Force on Holistic and Effective Responses to Illicit Drug Use. This is a onetime appropriation.

Sec. 6. Laws 2023, chapter 52, article 2, section 3, subdivision 5, is amended to read:

Subd. 5. Fire Marshal	17,013,000	17,272,000
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Appropriations by Fund

General	4,184,000	4,190,000
Special Revenue	12,829,000	13,082,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012. The base appropriation for this account is \$13,182,000 in fiscal year 2026 and \$13,082,000 in fiscal year 2027.

(a) **Hazardous Materials and Emergency Response Teams**

\$1,695,000 the first year and \$1,595,000 the second year are from the fire safety account for hazardous materials and emergency response teams. The base for these purposes is \$1,695,000 in the first year of future biennia and \$1,595,000 in the second year of future biennia.

(b) **Bomb Squad Reimbursements**

\$250,000 from the fire safety account and \$50,000 from the general fund each year are for reimbursements to local governments for bomb squad services.

(c) **Nonresponsible Party Reimbursements**

\$750,000 each year from the fire safety account is for nonresponsible party hazardous material, Urban Search and Rescue, Minnesota Air Rescue Team, and bomb squad incident reimbursements. Money appropriated for this purpose is available for one year.

(d) **Hometown Heroes Assistance Program**

\$4,000,000 each year from the general fund is for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477.

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

Sec. 7. Laws 2023, chapter 52, article 2, section 6, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$12,643,000	\$797,937,000	\$ 826,661,000
			<u>825,675,000</u>

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

Sec. 8. Laws 2023, chapter 52, article 2, section 6, subdivision 4, is amended to read:

Subd. 4. Organizational, Regulatory, and Administrative Services	73,586,000	74,287,000 <u>73,301,000</u>
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(a) **Public Safety Data Infrastructure**

\$22,914,000 the first year and \$22,915,000 the second year are for technology modernization and the development of an information-sharing and data-technology infrastructure. The base for this purpose is \$4,097,000 beginning in fiscal year 2026. Any unspent funds from the current biennium do not cancel and are available in the next biennium.

(b) **Supervised Release Board**

\$40,000 each year is to establish and operate the supervised release board pursuant to Minnesota Statutes, section 244.049.

(c) **Recruitment and Retention**

\$3,200,000 the first year and \$400,000 the second year are for recruitment and retention initiatives. Of this amount, \$2,800,000 the first year is for staff recruitment, professional development, conflict resolution, and staff wellness, and to contract with community collaborative partners who specialize in trauma recovery.

(d) **Clemency Review Commission**

\$986,000 ~~each year~~ the first year is for the clemency review commission described in Minnesota Statutes, section 638.09. Of this amount, \$200,000 each year is for grants to support outreach and clemency application assistance. Any unencumbered balance remaining in the first year does not cancel, but must be transferred to the Clemency Review Commission by July 1, 2024. Funds transferred under this paragraph are available until June 30, 2025.

(e) **Accountability and Transparency**

\$1,000,000 each year is for accountability and transparency initiatives. The base for this appropriation is \$1,480,000 beginning in fiscal year 2026.

(f) **Organizational, Regulatory, and Administrative Services Base Budget**

The base for organizational, regulatory, and administrative services is ~~\$55,849,000~~ \$54,863,000 in fiscal year 2026 and ~~\$55,649,000~~ \$54,663,000 in fiscal year 2027.

ARTICLE 2
PUBLIC SAFETY

Section 1. **[169.905] TRAFFIC STOP; QUESTIONING LIMITED.**

A peace officer making a traffic stop for a violation of this chapter or chapter 168 must inform the vehicle's operator of a reason for the stop before engaging in questioning related to a suspected traffic violation.

Sec. 2. Minnesota Statutes 2023 Supplement, section 299A.49, subdivision 8, is amended to read:

Subd. 8. **State emergency response asset.** "State emergency response asset" means any team or teams defined under this section that has entered into a contractual agreement with the State Fire Marshal Division.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 299A.49, subdivision 9, is amended to read:

Subd. 9. **Urban search and rescue team (USAR) (US&R).** "Urban search and rescue team" or "USAR" "US&R" means a team trained and equipped to respond to and carry out rescue and recovery operations at the scene of a collapsed structure. A USAR team may include strategically located fire department assets combined under one joint powers agreement multihazard discipline that involves the location, extrication, and initial medical stabilization of victims trapped or missing because of a man-made or natural disaster.

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

Sec. 4. Minnesota Statutes 2022, section 299A.73, subdivision 4, is amended to read:

Subd. 4. **Administrative costs.** The commissioner may use up to ~~two~~ ten percent of the biennial appropriation for grants-in-aid to the youth intervention program to pay costs incurred by the department in administering the youth intervention program.

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

Sec. 5. **MOTOR VEHICLE REGISTRATION COMPLIANCE WORKING GROUP.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Working group" means the motor vehicle registration compliance working group required under this section.

Subd. 2. **Establishment.** The commissioner of public safety must convene a working group by September 1, 2024, to examine motor vehicle registration and registration tax collection and compliance.

Subd. 3. **Membership.** (a) In addition to appropriate representatives of the Department of Public Safety, the commissioner must solicit the following individuals to participate in the working group:

(1) one member representing the Department of Transportation, appointed by the commissioner of transportation;

(2) one member representing the Department of Revenue, appointed by the commissioner of revenue;

(3) one member representing Tribal governments;

(4) one member appointed by the Center for Transportation Studies at the University of Minnesota;

(5) one member appointed by the Minnesota Chiefs of Police Association;

(6) one member appointed by the Minnesota Sheriffs' Association;

(7) one member appointed by the Minnesota Peace and Police Officers Association;

(8) one member appointed by the Association of Minnesota Counties;

(9) one member appointed by the League of Minnesota Cities;

(10) one member appointed by the Minnesota Deputy Registrars Association;

(11) one member appointed by the Deputy Registrar Business Owners Association;

(12) one member appointed by the Minnesota Automobile Dealers Association;

(13) one member appointed by AAA Minnesota; and

(14) one member appointed by the Minnesota Transportation Alliance.

(b) The commissioner may solicit participation in the working group by additional individuals if the commissioner determines that particular expertise or perspective would be beneficial to the working group in the performance of its duties.

Subd. 4. **Appointment; vacancy.** Members of the working group serve at the pleasure of the appointing authority or until the working group expires. Vacancies must be filled by the appointing authority.

Subd. 5. **Duties.** (a) At a minimum, the working group must:

(1) identify and evaluate potential methods for enforcement of motor vehicle registration and registration tax payment requirements that would replace enforcement through the use of criminal penalties, including but not limited to:

(i) alignment with individual income taxes;

(ii) revenue recapture; and

(iii) retention of license plates with a vehicle following a change of vehicle ownership; and

(2) develop recommendations, a legislative proposal, or both, related to motor vehicle registration and registration tax compliance through methods other than the use of criminal penalties.

(b) In evaluating methods under paragraph (a), clause (2), the working group must use criteria that include effectiveness, administrative efficiency, equity, burdens on motor vehicle owners, and substantial elimination of vehicle registration enforcement through traffic stops performed by peace officers.

Subd. 6. **Administration.** (a) The commissioner must provide administrative support to the working group. Upon request of the working group, the commissioners of transportation and revenue must provide relevant technical support.

(b) Members of the working group are not eligible for compensation.

(c) The working group is subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

(d) The working group is subject to the Minnesota Data Practices Act under Minnesota Statutes, chapter 13.

Subd. 7. **Report.** By February 15, 2025, the commissioner must submit a report on motor vehicle registration compliance to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation and public safety. At a minimum, the report must summarize the activities of the working group and provide information related to each of the duties specified in subdivision 3.

Subd. 8. **Expiration.** The working group expires June 30, 2025.

Sec. 6. **TASK FORCE ON HOLISTIC AND EFFECTIVE RESPONSES TO ILLICIT DRUG USE.**

Subdivision 1. **Establishment.** The Task Force on Holistic and Effective Responses to Illicit Drug Use is established to review the reports on approaches to address illicit drug use in Minnesota prepared and submitted pursuant to Laws 2023, chapter 52, article 2, section 3, subdivision 8, paragraph (v); develop a phased timeline for implementation of policy changes; and make policy and funding recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the state public defender or a designee;

(2) two county attorneys, one from a county in the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and one from a county outside the metropolitan area, appointed by the Minnesota County Attorneys Association;

(3) one peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Sheriffs' Association;

(4) one peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Police and Peace Officers Association;

(5) two medical professionals, one with expertise in substance use disorder treatment and one with experience working with harm reduction providers, appointed by the Minnesota Medical Association;

(6) one member appointed by the Minnesota Association of Criminal Defense Lawyers;

(7) one member representing a Tribal government, appointed by the Indian Affairs Council;

(8) one member with knowledge of expungement law, representing criminal legal reform organizations;

(9) one academic researcher specializing in drug use or drug policy;

(10) one member with lived experience with drug use;

(11) one member who resides in a community that has been disproportionately impacted by drug sentencing laws;

(12) one member representing an organization with knowledge of youth intervention services and the juvenile justice system; and

(13) one member, appointed by the Minnesota Association of County Social Service Administrators, with experience administering supportive social services, including mental health, substance use disorder, housing, and other related services.

(b) The members identified in paragraph (a), clauses (8) to (12), must be appointed by the governor.

(c) Appointments must be made no later than August 31, 2024.

(d) Members of the task force serve without compensation.

(e) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Duties.** (a) The task force must:

(1) review and analyze the research and recommendations released in reports prepared by Rise Research pursuant to Laws 2023, chapter 52, article 2, section 3, subdivision 8, paragraph (v);

(2) collect, review, and analyze other relevant information and data;

(3) gather and consider input and feedback from the public, including but not limited to feedback from individuals with lived experience involving the use of illicit drugs and family members of persons with that lived experience; and

(4) make recommendations, including specific plans and timeline goals, to implement and fund policies addressing illicit drug use, with the goal of reducing and, where possible, preventing harm to users of illicit drugs and promoting the health and safety of individuals and communities.

(b) The task force may examine other issues relevant to the duties specified in this subdivision.

Subd. 4. **Officers; meetings.** (a) The director of the Office of Addiction and Recovery shall convene the first meeting of the task force by September 30, 2024.

(b) At the first meeting, the members of the task force shall elect a chair and vice-chair, and may elect other officers as the members deem necessary.

(c) The task force shall meet monthly or as determined by the chair. The task force shall meet a sufficient amount of time to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 5. **Staff; meeting space.** The Office of Addiction and Recovery shall provide support staff, office and meeting space, and administrative services for the task force.

Subd. 6. **Report.** The task force must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, health, and human services on the work, findings, and recommendations of the task force. The recommendations of the task force must include proposed legislation and implementation plans. The task force must submit the report by February 15, 2025. The task force may submit additional information to the legislature.

Subd. 7. **Expiration.** The task force expires on June 30, 2025.

Sec. 7. **TASK FORCE ON DOMESTIC VIOLENCE AND FIREARM SURRENDER.**

Subdivision 1. **Establishment.** The Task Force on Domestic Violence and Firearm Surrender is established to review existing laws that require the surrender of firearms by individuals subject to an order for protection, subject to an extreme risk protection order, or convicted of domestic assault, harassment, or stalking; identify best practices to ensure the surrender of firearms that prioritize the safety of peace officers, victims, and others; identify policies and procedures that reduce the danger to peace officers and other emergency responders called to an incident involving domestic violence; and make policy and funding recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the commissioner of public safety, or a designee;

(2) the director of the Missing and Murdered Indigenous Relatives Office, or a designee;

(3) the chief justice of the supreme court, or a designee;

(4) the state public defender, or a designee;

(5) a county attorney appointed by the Minnesota County Attorneys Association;

(6) an individual appointed by the Indian Affairs Council;

(7) a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Chiefs of Police Association;

(8) a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Sheriffs' Association;

(9) an individual appointed by Violence Free Minnesota;

(10) an individual appointed by Minnesota Coalition Against Sexual Assault; and

(11) an individual appointed by the Gun Violence Prevention Law Clinic at the University of Minnesota Law School.

(b) Appointments must be made no later than September 1, 2024.

(c) Members shall serve without compensation.

(d) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Officers; meetings.** (a) The commissioner of public safety shall convene the first meeting of the task force no later than September 15, 2024, and shall provide meeting space and administrative assistance for the task force to conduct its work.

(b) At its first meeting, the task force must elect a chair and vice-chair from among its members. The task force may elect other officers as necessary.

(c) The task force shall meet at least monthly or upon the call of the chair. The task force shall meet a sufficient amount of time to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties.** (a) The task force shall, at a minimum:

(1) examine existing laws requiring the surrender of firearms by individuals subject to orders for protection, convicted of domestic assault, and convicted of harassment or stalking;

(2) examine existing policies and procedures, if any, used in Minnesota to enforce orders requiring the surrender of firearms by individuals subject to an order for protection or convicted of domestic assault, harassment, or stalking;

(3) examine laws, policies, and procedures in other states related to enforcing orders requiring the surrender of firearms;

(4) identify barriers to enforcing orders in Minnesota that require the surrender of firearms by individuals subject to an order for protection or convicted of domestic assault, harassment, or stalking;

(5) identify best practices for enforcing orders requiring the surrender of firearms, prioritizing practices that protect the safety of peace officers, prosecutors, judges and court staff, victims, and others;

(6) identify policies and procedures that reduce the danger to peace officers and other emergency responders called to an incident involving domestic violence; and

(7) make policy and funding recommendations to the legislature.

(b) At its discretion, the task force may examine other issues consistent with this section.

Subd. 5. **Recommendations; report.** The task force may issue recommendations and reports at any time during its existence. By February 1, 2025, the task force must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy on the findings and recommendations of the task force.

Subd. 6. **Expiration.** The task force expires the day after submitting its report under subdivision 5.

ARTICLE 3 CORRECTIONS

Section 1. Minnesota Statutes 2023 Supplement, section 244.50, subdivision 4, is amended to read:

Subd. 4. **Distributing reallocation funds.** The commissioner must distribute funds as follows:

(1) ~~25~~ 50 percent must be transferred to the Office of Justice Programs in the Department of Public Safety for crime victim services;

(2) 25 percent must be transferred to the Community Corrections Act subsidy appropriation and to the Department of Corrections for supervised release and intensive supervision services, based upon a three-year average of the release jurisdiction of supervised releasees and intensive supervised releasees across the state; and

(3) 25 percent must be transferred to the Department of Corrections for:

(i) grants to develop and invest in community-based services that support the identified needs of correctionally involved individuals or individuals at risk of becoming involved in the criminal justice system; and

(ii) sustaining the operation of evidence-based programming in state and local correctional facilities; ~~and.~~

~~(4) 25 percent must be transferred to the general fund.~~

Sec. 2. Minnesota Statutes 2023 Supplement, section 609A.06, subdivision 2, is amended to read:

Subd. 2. **Executive director.** (a) The governor must appoint the initial executive director of the Cannabis Expungement Board. The executive director must be knowledgeable about expungement law and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee. Any vacancy shall be filled by the board.

~~(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.~~

~~(e)~~ (b) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the board's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the classified service.

~~(d)~~ (c) At the direction of the board, the executive director may enter into interagency agreements with the Department of Corrections or any other agency to obtain material and personnel support necessary to carry out the board's mandates, policies, activities, and objectives.

Sec. 3. Minnesota Statutes 2023 Supplement, section 638.09, subdivision 5, is amended to read:

Subd. 5. **Executive director.** (a) The board must appoint a commission executive director knowledgeable about clemency and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee.

~~(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.~~

~~(e)~~ (b) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the commission's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the unclassified service at the pleasure of the executive director.

Sec. 4. Laws 2023, chapter 52, article 8, section 20, subdivision 3, is amended to read:

Subd. 3. **Department administrative assistance.** Beginning August 1, 2023, through ~~February 29, 2024~~ June 30, 2024, the Department of Corrections must provide the Clemency Review Commission with administrative assistance, technical assistance, office space, and other assistance necessary for the commission to carry out its duties under sections 4 to 20.

EFFECTIVE DATE. This section is effective retroactively from February 28, 2024.

Sec. 5. Laws 2023, chapter 63, article 5, section 5, is amended to read:

Sec. 5. **TRANSITION PERIOD.**

Beginning August 1, 2023, through ~~March 1, 2024~~ August 1, 2024, the Department of Corrections must provide the Cannabis Expungement Board with administrative assistance, technical assistance, office space, and other assistance necessary for the board to carry out its duties under Minnesota Statutes, section 609A.06. The Cannabis Expungement Board shall reimburse the Department of Corrections for the services and space provided.

EFFECTIVE DATE. This section is effective retroactively from February 28, 2024.

ARTICLE 4
PUBLIC SAFETY TELECOMMUNICATORS

Section 1. Minnesota Statutes 2022, section 403.02, subdivision 17c, is amended to read:

Subd. 17c. ~~**911 Public safety telecommunicator.**~~ **"911 Public safety telecommunicator"** means a person employed by a primary or secondary public safety answering point, an emergency medical dispatch service provider, or both, who is qualified to answer incoming emergency telephone calls or provide for the who serves as a first responder by receiving, assessing, or processing requests for assistance from the public and other public safety partners and coordinates the appropriate emergency public safety response either directly or through communication with the appropriate public safety answering point. Public safety telecommunicator includes persons who supervise public safety telecommunicators.

Sec. 2. **[403.053] PUBLIC SAFETY TELECOMMUNICATOR TRAINING AND STANDARDS BOARD.**

Subdivision 1. **Membership.** (a) The Public Safety Telecommunicator Training and Standards Board consists of the following members:

- (1) the commissioner or a designee;
- (2) one sheriff from each of the six Minnesota Sheriffs' Association districts appointed by the Minnesota Sheriffs' Association;
- (3) one representative from an emergency medical services secondary public safety answering point appointed by the Minnesota Ambulance Association;
- (4) one representative of emergency medical service providers appointed by the Minnesota Ambulance Association;
- (5) one chief of police appointed by the Minnesota Chiefs of Police Association;
- (6) one fire chief appointed by the Minnesota State Fire Chiefs Association;
- (7) one elected county official appointed by the Association of Minnesota Counties;
- (8) one elected city official appointed by the League of Minnesota Cities; and
- (9) ten members from among the following public safety answering points' personnel:
 - (i) one member from each of the six Minnesota Sheriffs' Association districts appointed by the Minnesota Sheriffs' Association;

(ii) one member from the State Patrol public safety answering points appointed by the chief of the State Patrol;

(iii) one member from a Tribal public safety answering point;

(iv) one member from a municipal public safety answering point appointed by the League of Minnesota Cities; and

(v) one member from a nontraditional public safety answering point appointed by the Statewide Emergency Communications Board.

(b) For purposes of this subdivision, "nontraditional public safety answering point" includes the following public safety answering points: University of Minnesota, Dakota 911, Ramsey County, Anoka County, the Metropolitan Airports Commission, Metro Transit, Red River Regional Dispatch Center, Rice-Steele, Rochester-Olmsted, Nobles County, and Fort Snelling.

Subd. 2. **Terms; compensation; removal; vacancies; meetings.** (a) Members of the board may serve four-year terms.

(b) Members serve without compensation.

(c) A member may be removed by their respective appointing authority at any time for cause or after missing three consecutive meetings of the board. The chair of the board must inform the appointing authority of a member missing three consecutive board meetings. Vacancies must be filled according to the appointments made under subdivision 1.

(d) Members elect a chair biennially.

(e) Meetings must be called at the request of the chair or upon the written request of a majority of the members of the board.

(f) Membership on the board does not constitute the holding of a public office and members of the board are not required to take and file oaths of office or submit a public official's bond before serving on the board.

(g) No member of the board is disqualified from holding any public office or employment by reason of appointment to the board. Notwithstanding any general, special, or local restriction, ordinance, or city charter to the contrary, no member must forfeit any public office or employment by reason of appointment to the board.

(h) All other matters relating to board operations are governed by chapter 214.

Subd. 3. **Powers and duties.** (a) The board must:

(1) establish public safety telecommunicator certification requirements;

(2) oversee the public safety telecommunicator training and certification program;

(3) certify public safety telecommunicators who satisfy certification requirements;

(4) make recommendations regarding public safety telecommunicator training needs;

(5) establish standards for education programs and develop procedures for continuing oversight of the programs; and

(6) establish qualifications for public safety telecommunicator instructors.

(b) The board may:

(1) hire or contract for technical or professional services according to section 15.061;

(2) pay expenses necessary to carry out its duties;

(3) apply for, receive, and accept grants, gifts, devices, and endowments that any entity may make to the board for the purposes of this section and may use any money given to the board consistent with the terms and conditions under which the money was received and for the purposes stated;

(4) accept funding from the 911 emergency telecommunications service account in the special revenue fund and allocate funding to Minnesota public safety answering points in the form of reimbursements that are consistent with the board's recommendations, local expenditure reimbursement under section 403.113, subdivision 3, and Federal Communications Commission regulations;

(5) set guidelines regarding how the allocated reimbursement funds must be disbursed;

(6) set and make available to the public safety answering points standards governing the use of funds reimbursed under this section;

(7) make recommendations to the legislature to improve the quality of public safety telecommunicator training;

(8) conduct studies and surveys and make reports; and

(9) conduct other activities necessary to carry out its duties.

Subd. 4. **Certification requirements; rulemaking.** (a) No later than July 1, 2026, the board must adopt rules with respect to certification requirements for public safety telecommunicators and establish in rule criteria for training, certification, and continuing education that incorporate the requirements set forth in paragraph (b).

(b) Rules established under this subdivision must define:

(1) a set of learning objectives that ensure the professional competency of public safety telecommunicators;

(2) the minimum course of study required for public safety telecommunicators to demonstrate professional competence;

(3) minimum learning objectives and training requirements to ensure that public safety telecommunicators are instructed in techniques to appropriately manage stress, respond to requests for assistance that involve a mental health crisis, and engage in suicide intervention;

(4) the term of certification;

(5) the term of recertification;

(6) the certification of existing public safety telecommunicators;

(7) the certification of public safety telecommunicators with out-of-state certifications; and

(8) the certification application and approval process.

(c) Certification of a public safety telecommunicator must occur within one year of the date of hire unless an exception is sought, as defined in rules.

Subd. 5. **Reporting requirements.** In conjunction with each biennial budget process under section 16A.10, the board must submit a report to the governor and to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and ~~may~~ must be appropriated ~~from time to time~~ to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services, including public safety telecommunicator training, certification, and continuing education.

(c) The fee may not be more than 95 cents a month for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services."

Delete the title and insert:

"A bill for an act relating to public safety; providing for funding and related policy changes to the Department of Public Safety, Department of Corrections, and the Clemency Review Commission; establishing working group to examine motor vehicle registration compliance; establishing Task Force on Holistic and Effective Responses to Illicit Drug Use and Task Force on Domestic Violence and Firearm Surrender; establishing Public Safety Telecommunicator Training and Standards Board; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 299A.73, subdivision 4; 403.02, subdivision 17c; Minnesota Statutes

2023 Supplement, sections 244.50, subdivision 4; 299A.49, subdivisions 8, 9; 403.11, subdivision 1; 609A.06, subdivision 2; 638.09, subdivision 5; Laws 2023, chapter 52, article 2, sections 3, subdivision 5; 6, subdivisions 1, 4; article 8, section 20, subdivision 3; Laws 2023, chapter 63, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapters 169; 403."

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

The report was adopted.

Youakim from the Committee on Education Finance to which was referred:

H. F. No. 5237, A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, American Indian education, teachers, charter schools, special education, facilities, nutrition, libraries, early childhood education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; Minnesota Statutes 2023 Supplement, sections 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2, 3; 123B.92, subdivision 11; 124D.151, subdivision 6; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 7, 9, 17, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 8, 9; article 2, section 64, subdivisions 2, 6, 14, 16, 21, 23, 26, 31; article 4, section 21, subdivisions 2, 5; article 5, sections 64, subdivisions 3, 5, 13, 14, 15, 16; 65, subdivisions 3, 6; article 7, section 18, subdivisions 2, 3, 4, 6, 7; article 8, section 19, subdivisions 3, 5, 6; article 9, section 18, subdivisions 4, 8; article 11, section 11, subdivisions 2, 3, 5, 10; repealing Laws 2023, chapter 55, article 10, section 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 GENERAL EDUCATION

Section 1. Minnesota Statutes 2022, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student ~~without a disability~~, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 350 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.92, subdivision 11, is amended to read:

Subd. 11. **Area learning center transportation aid.** (a) A district or cooperative unit that provides transportation of pupils to and from an area learning center program established under section 123A.05 is eligible for state aid to reimburse the additional costs of transportation during the preceding fiscal year.

(b) A district or cooperative unit may apply to the commissioner of education for state aid to reimburse the costs of transporting pupils who are enrolled in an area learning center program established under section 123A.05 during the preceding fiscal year. The commissioner shall develop the form and manner of applications for state aid, the criteria to determine when transportation is necessary, and the accounting procedure to determine excess costs. In determining aid amounts, the commissioner shall consider other revenue received by the district or cooperative unit for transportation for area learning center purposes.

(c) The total aid entitlement for this section is \$1,000,000 each year. The commissioner must prorate aid if this amount is insufficient to reimburse ~~district~~ costs for a district or cooperative unit.

EFFECTIVE DATE. This section is effective for aid for fiscal year 2025 and later.

Sec. 3. Minnesota Statutes 2023 Supplement, section 124D.65, subdivision 5, is amended to read:

Subd. 5. **School district EL revenue.** (a) For fiscal year 2024 through fiscal year 2026, a district's English learner programs revenue equals the sum of:

(1) the product of (i) \$1,228, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year; and

(2) \$436 times the English learner pupil units under section 126C.05, subdivision 17.

(b) For fiscal year 2027 and later, a district's English learner programs revenue equals the sum of:

(1) the product of (i) \$1,775, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year;

(2) \$630 times the English learner pupil units under section 126C.05, subdivision 17; and

(3) the district's English learner cross subsidy aid. A district's English learner cross subsidy aid ~~under paragraph (e)~~ equals 25 percent of the district's English learner cross subsidy under paragraph (c) for fiscal year 2027 and later.

(c) A district's English learner cross subsidy aid equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue under paragraph (b), clauses (1) and (2) for the second previous year. "Qualifying English learner services" means the services necessary to implement the Language Instruction Educational Program for students identified as English learners under sections 124D.58 to 124D.65. Only expenditures that both address the English language development standards in Minnesota Rules, parts 3501.1200 and 3501.1210, which may include home language instruction, and are supplemental to the cost of core content instruction may be included as expenditures for qualifying English learner services. Expenditures do not include costs related to construction, indirect costs, core content instruction, or core administrative personnel.

(d) A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.

Sec. 4. Minnesota Statutes 2023 Supplement, section 124D.995, subdivision 3, is amended to read:

Subd. 3. **Money appropriated.** (a) Subject to the availability of funds, money in the account is annually appropriated to the commissioner of education to reimburse school districts; charter schools; intermediate school districts and cooperative units under section 123A.24, subdivision 2; the Perpich Center for Arts Education; and the Minnesota State Academies for costs associated with providing unemployment benefits to school employees under section 268.085, subdivision 7, paragraph (b).

(b) The Perpich Center for Arts Education and the Minnesota State Academies may only apply to the commissioner for reimbursement of unemployment insurance amounts in excess of the amounts specifically identified in their annual agency appropriations.

(c) If the amount in the account is insufficient, the commissioner must proportionately reduce the aid payment to each recipient. Aid payments must be paid ~~100~~ 90 percent in the current year and 10 percent in the following year.

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

Sec. 5. Minnesota Statutes 2022, section 126C.05, subdivision 15, is amended to read:

Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student ~~without a disability~~ in an all-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student ~~without a disability~~, that pupil may be counted as more than one pupil in average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of 850 hours or the number of hours required for a full-time kindergarten student ~~without a disability~~ in the district to 850 for a kindergarten student ~~without a disability~~. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at

least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(iii) General education revenue for a pupil in a state-approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit or graduation standards necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by 1,020.

(iv) For a state-approved alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

Sec. 6. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) Local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals \$424 times the adjusted pupil units of the district for that school year.

(b) A district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.

(d) For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$548,842. For fiscal year 2024, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000. For fiscal year 2025, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to ~~\$587,244~~ \$626,450. For fiscal year 2026, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$642,038. For fiscal year 2027 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$671,345.

(e) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

(f) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

Sec. 7. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) For fiscal year 2024, the compensatory education revenue for each building in the district equals the formula allowance minus \$839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. ~~A district's compensatory revenue equals the sum of its compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.~~

(b) For fiscal year 2025, compensatory revenue must be calculated under Laws 2023, chapter 18, section 3.

(c) For fiscal year 2026 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance. ~~Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.~~

(d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

(f) Notwithstanding paragraph (c), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, compensatory education revenue must be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory education revenue must be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensatory education revenue must be prorated based on the ratio of the number of days of student instruction to 170 days.

(g) Notwithstanding paragraph (c), for fiscal year 2026, if the calculation under paragraph ~~(d)~~ (c) results in statewide revenue of less than \$838,947,000, additional revenue must be proportionately provided to each building ~~in a manner prescribed~~ by the commissioner of education until total statewide revenue equals \$838,947,000.

(h) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the calculation under paragraph (d) results in statewide revenue of less than \$857,152,000, additional revenue must be proportionately provided to each building ~~in a manner prescribed~~ by the commissioner of education until total statewide revenue equals \$857,152,000.

(i) A district's compensatory revenue equals the sum of its compensatory revenue computed under paragraphs (a) to (h) and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017.

(j) Revenue under this subdivision must be paid to the district and must be allocated according to section 126C.15, subdivision 2.

Sec. 8. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 3c, is amended to read:

Subd. 3c. **Statewide compensatory allowance.** ~~(a)~~ For fiscal year 2026, the statewide compensatory allowance is \$6,734. For fiscal year 2027 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.

~~(b) For fiscal year 2026 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.~~

Sec. 9. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 13, is amended to read:

Subd. 13. **Total operating capital revenue.** (a) Total operating capital revenue for a district equals the sum of:

(1) \$79 times the adjusted pupil units for the school year;

(2) the product of \$109, the district's maintenance cost index, and its adjusted pupil units for the school year plus the amount computed under paragraph (c); and

(3) \$2 times the adjusted pupil units of the school district for the school year for the purposes of supplying menstrual products under subdivision 14, clause (26), and opiate antagonists under subdivision 14, clause (27).

(b) The revenue under this subdivision must be placed in a reserved account in the general fund and may only be used according to subdivision 14.

(c) The revenue under paragraph (a), clause (2), for a district that operates a program under section 124D.128, is increased by an amount equal to \$31 times the number of adjusted pupil units served at the site where the program is implemented.

(d) The revenue under paragraph (a), clause (3), is not subject to the operating capital equalization levy formula in 126C.10, subdivision 13a.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 10. Minnesota Statutes 2022, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals ~~\$23,902 for fiscal year 2020, \$23,885 for fiscal year 2021, and \$22,912 for fiscal year 2022 and later~~ 2024, \$23,138 for fiscal year 2025, and \$22,912 for fiscal year 2026 and later.

Sec. 11. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 18a, is amended to read:

Subd. 18a. **Pupil transportation adjustment.** (a) An independent, common, or special school district's transportation sparsity revenue under subdivision 18 is increased by the greater of zero or 35 percent of the difference between:

(1) the lesser of the district's total cost for regular and excess pupil transportation under section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal year or 105 percent of the district's total cost for the second previous fiscal year; and

(2) the sum of:

(i) 4.66 percent of the district's basic revenue for the previous fiscal year;

- (ii) transportation sparsity revenue under subdivision 18 for the previous fiscal year;
- (iii) the district's charter school transportation adjustment for the previous fiscal year; ~~and~~
- (iv) the district's reimbursement for transportation provided under section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi), for the previous fiscal year; and
- (v) the district's area learning center transportation aid under section 123B.92, subdivision 11, for the previous fiscal year.

(b) A charter school's pupil transportation adjustment equals the school district per pupil unit adjustment under paragraph (a).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 12. Minnesota Statutes 2022, section 127A.51, is amended to read:

127A.51 STATEWIDE AVERAGE REVENUE.

(a) By December 1 of each year the commissioner must estimate the statewide average adjusted general revenue per adjusted pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the 95th percentile to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

(b) If the disparity in adjusted general revenue as measured by the ratio of the 95th percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by February 1.

(c) For purposes of this section and section 126C.10, adjusted general revenue means the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity revenue under section 126C.10, ~~subdivisions 24a and 24b~~ subdivision 24.

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

Sec. 13. Laws 2023, chapter 55, article 1, section 36, subdivision 2, as amended by Laws 2024, chapter 81, section 1, is amended to read:

Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$8,103,909,000	.....	2024
\$ 8,299,317,000 <u>8,333,843,000</u>	.....	2025

(b) The 2024 appropriation includes \$707,254,000 for 2023 and \$7,396,655,000 for 2024.

(c) The 2025 appropriation includes \$771,421,000 for 2024 and ~~\$7,527,896,000~~ \$7,562,422,000 for 2025.

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

Sec. 14. Laws 2023, chapter 55, article 1, section 36, subdivision 8, is amended to read:

Subd. 8. **One-room schoolhouse.** (a) For a ~~grant~~ aid to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

\$65,000	.....	2024
\$65,000	.....	2025

(b) This aid is 100 percent payable in the current year.

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

Sec. 15. **BASIC SKILLS REVENUE ACCOUNT TRANSFERS.**

Notwithstanding Minnesota Statutes, section 126C.15, subdivision 4, by June 30, 2025, school districts with a balance in their basic skills revenue account that is restricted for use on extended time programs must transfer those funds to an account that is restricted for basic skills revenue.

Sec. 16. **TASK FORCE ON ENGLISH LEARNER PROGRAMS.**

Subdivision 1. **Task force established.** A task force is established to analyze how public schools use English learner revenue at the site level and administrative level, consider how microcredentials or other certifications may be used to improve collaboration between teachers working with English learners, and make recommendations on how English learner revenue can be used more effectively to help students become proficient in English and participate meaningfully and equally in education programs.

Subd. 2. **Members.** The commissioner of education, in consultation with the executive director of the Professional Educator Licensing and Standards Board, must appoint the following members to the task force by July 1, 2024:

(1) the commissioner of education or the commissioner's designee;

(2) the executive director of the Professional Educator Licensing and Standards Board or the executive director's designee;

(3) the executive director of the Minnesota Education Equity Partnership or the executive director's designee;

(4) one member who represents teacher preparation programs that enroll candidates seeking a field license in English as a second language;

(5) one member who represents school boards;

(6) one member who represents the superintendent;

(7) one member who is a teacher of English learners;

(8) one member who is a teacher in a state-approved alternative program;

(9) one member who is a director of an English learner program in a school district;

(10) one member who is a director of a state-approved alternative program;

- (11) one member who is a parent of a student identified as an English learner;
- (12) one member who is a parent liaison to families of English learners in a school district;
- (13) one member who is a parent of a student enrolled in a state-approved alternative program;
- (14) one member from the Southeast Service Cooperative's Project Momentum; and
- (15) one member from a community organization that works with families of English learners.

Subd. 3. **Duties.** (a) The task force must:

- (1) review best practices in English learner programming, including:
 - (i) an accountability framework that uses student performance on state assessments to determine whether the program is improving academic outcomes for English learners;
 - (ii) staffing and managing an English learner program, including providing appropriate professional development for teachers, administrators, and other staff;
 - (iii) evaluation of the efficacy of the English learner program; and
 - (iv) ensuring meaningful communication and engagement with limited English proficient parents;
- (2) review best practices in providing services to students who are eligible to participate in the graduation incentives program under Minnesota Statutes, section 124D.68, including:
 - (i) an accountability framework that uses credit recovery rates and graduation rates to determine whether the program is improving academic outcomes for participating students; and
 - (ii) professional development for teachers and other staff;
- (3) analyze how English learner revenue is used at the site level and administrative level and whether expenditures align with the best practices identified under clause (1);
- (4) identify obstacles to hiring and retaining necessary staff to support effective English learner programs;
- (5) analyze how microcredentials or other certifications can improve collaboration among teachers working with English learners, and recommend a process for awarding the microcredentials or other certifications; and
- (6) to the extent time is available, review best practices for dual enrollment programs for students eligible for the graduation incentives program, including the provision of college and career and readiness counselors and:
 - (i) an accountability framework based on the acceleration of dual credit accumulation before a student graduates from high school;
 - (ii) professional development for counselors; and
 - (iii) evaluation of the efficacy of the dual enrollment program.

(b) The task force must review data regarding student access to teachers with a field license in English as a second language.

(c) The task force must report its findings and recommendations on the current use of English learner revenue at the site level and administrative level, implementation of microcredentials or other certifications, and how English learner funding can be used more effectively to help students become proficient in English and participate meaningfully and equally in an education program. The task force must submit the report to the legislative committees with jurisdiction over kindergarten through grade 12 education by January 15, 2025.

Subd. 4. **Compensation.** Minnesota Statutes, section 15.059, subdivision 3, governs compensation of the members of the task force.

Subd. 5. **Meetings and administrative support.** (a) The commissioner of education or the commissioner's designee must convene the first meeting of the task force no later than July 15, 2024. The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under subdivision 3. Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

(b) The Department of Education must provide administrative support to assist the task force in its work, including providing information and technical support, and must assist in the creation of the report under subdivision 3.

Subd. 6. **Expiration.** The task force expires January 15, 2025, or upon submission of the report required under subdivision 3, whichever is later.

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

Sec. 17. STUDENT ATTENDANCE PILOT PROGRAM.

Subdivision 1. **Pilot program established.** A pilot program is established to support districts developing and implementing innovative strategies to improve student attendance, and help policymakers determine how to effectively support district efforts to improve student attendance and engagement. The pilot program is effective for the 2024-2025, 2025-2026, and 2026-2027 school years.

Subd. 2. **Participating districts.** (a) The pilot program consists of the following school districts:

(1) Special School District No. 1, Minneapolis;

(2) Independent School District No. 13, Columbia Heights;

(3) Independent School District No. 38, Red Lake;

(4) Independent School District No. 77, Mankato;

(5) Independent School District No. 152, Moorhead;

(6) Independent School District No. 177, Windom;

(7) Independent School District No. 191, Burnsville;

(8) Independent School District No. 659, Northfield; and

(9) Independent School District No. 695, Chisholm.

(b) Special School District No. 1, Minneapolis, must serve as the lead district in the pilot program. The duties of the lead district are:

(1) convening virtual quarterly meetings of the participating districts to share updates on implementation to facilitate collaboration on promising practices;

(2) developing a template for each district to report its goals, strategies, policies, or practices for counting and reporting attendance and absences, challenges, efforts to assess effectiveness, data on student absenteeism, and lessons learned; and

(3) reporting progress and results of the pilot program in accordance with subdivision 4.

(c) Independent School District No. 38, Red Lake, must partner with Charter School District No. 4298, Endazhi-Nitaawiging, to implement strategies to reduce student absenteeism at both the district and charter school.

(d) By July 1, 2024, each district must designate a primary staff person responsible for implementing the pilot program. The participating districts must hold their first meeting by August 1, 2024.

Subd. 3. **Strategies.** Participating districts must use pilot program aid to develop and implement sustainable strategies to reduce student absenteeism. Allowable uses of pilot program aid include but are not limited to:

(1) addressing risk factors for high absenteeism through supports and interventions;

(2) strategies that focus on the individual needs of each student;

(3) personalized outreach to students who have stopped attending school, including home visits and connecting with students in community centers or other public areas;

(4) regular meetings with students to provide tutoring or other supports or to connect students with resources that provide tutoring or other supports;

(5) activities that increase students' sense of belonging in the school community;

(6) data analysis to assess the effectiveness of district strategies; and

(7) technology that assists districts' efforts to communicate with students and families.

Subd. 4. **Reporting.** (a) The lead school district must submit reports to the chairs and minority leaders of the legislative committees with jurisdiction over kindergarten through grade 12 education by December 31, 2024; July 1, 2025; July 1, 2026; and September 1, 2027. Each report must include each participating district's individual reports.

(b) The first report must identify the goals and strategies each district plans to implement during the pilot program, and how each district counts and reports latenesses and absences. The other reports must identify each district's goals, strategies, challenges in meeting goals or implementing planned strategies, promising practices and practices that were not effective, and attendance data for the school year preceding the pilot program and the three school years of the pilot program. The attendance data must include attendance data for students that were absent up to ten percent of classes or school days, between ten and 29 percent of classes or school days, between 30 and 49 percent of classes or school days, and 50 percent or more of classes or school days; and for students who are homeless or highly mobile. The fourth report must also include recommendations for funding and statutory changes that would facilitate district efforts to implement local solutions to improve attendance.

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

Sec. 18. **STUDENT ATTENDANCE AND TRUANCY LEGISLATIVE STUDY GROUP.**

Subdivision 1. **Establishment.** A legislative study group is established to study issues related to student attendance and truancy.

Subd. 2. **Members.** (a) The legislative study group on student attendance and truancy consists of:

(1) four duly elected and currently serving members of the house of representatives, two appointed by the speaker of the house and two appointed by the house minority leader; and

(2) four duly elected and currently serving senators, two appointed by the senate majority leader and two appointed by the senate minority leader.

(b) The appointments must be made by June 15, 2024, and expire December 31, 2024.

(c) If a vacancy occurs, the leader of the caucus in the house of representatives or senate to which the vacating study group member belonged must fill the vacancy.

Subd. 3. **Duties.** (a) The legislative study group must study and evaluate ways to increase student attendance and reduce truancy. In preparing the recommendations, the group must consider the following:

(1) current statutory requirements relating to student attendance and truancy;

(2) currently available attendance data and additional data that would help schools and policy makers understand and reduce absenteeism;

(3) the effect of school programs and strategies to improve attendance;

(4) the role of school principals in addressing student absenteeism;

(5) the role of the Department of Education in addressing student absenteeism;

(6) the role of counties in addressing truancy; and

(7) how truant students are tracked across county lines.

(b) The study group must identify and include in its report any statutory changes needed to implement the study group recommendations.

Subd. 4. **Meetings and chair.** (a) The speaker of the house must designate a member to convene the first meeting of the study group, which must be held no later than July 15, 2024. Members of the study group must elect a chair from among the members present at the first meeting. The study group must meet periodically.

(b) Meetings of the study group are subject to Minnesota Statutes, section 3.055. The meetings may be conducted by interactive television.

Subd. 5. **Administrative support.** The Department of Education must cooperate with the legislative study group and provide information requested in a timely fashion. The Legislative Coordinating Commission must provide meeting space, technical and administrative support, and staff support for the study group. The study group may hold meetings in any publicly accessible location in the Capitol complex that is equipped with technology that can facilitate remote testimony.

Subd. 6. **Consultation with stakeholders.** In making recommendations, the study group must consult with interested and affected stakeholders.

Subd. 7. **Report.** The study group must submit a preliminary report with its recommendations to the legislative committees and divisions with jurisdiction over kindergarten through grade 12 education by November 1, 2024, and a final report by December 31, 2024.

Subd. 8. **Expiration.** The study group expires December 31, 2024, or on the date upon which the final report required under subdivision 7 is submitted to the legislature, whichever is later.

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

Sec. 19. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education in the fiscal years designated.

Subd. 2. **Attendance pilot program.** (a) For attendance pilot program aid:

\$3,334,000	2025
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(b) Of the amount in paragraph (a), the department must provide aid to the participating districts in the following amounts:

(1) \$1,022,000 for Special School District No. 1, Minneapolis;

(2) \$253,000 for Independent School District No. 13, Columbia Heights;

(3) \$196,000 for Independent School District No. 38, Red Lake;

(4) \$398,000 for Independent School District No. 77, Mankato;

(5) \$374,000 for Independent School District No. 152, Moorhead;

(6) \$185,000 for Independent School District No. 177, Windom;

(7) \$378,000 for Independent School District No. 191, Burnsville;

(8) \$266,000 for Independent School District No. 659, Northfield; and

(9) \$170,000 for Independent School District No. 695, Chisholm.

(c) Up to \$92,000 is available for the department to administer the pilot program.

(d) Aid payments must be paid 100 percent in fiscal year 2025. Districts may use the aid in the 2024-2025, 2025-2026, and 2026-2027 school years.

(e) This is a onetime appropriation.

Subd. 3. **Minnesota Alliance With Youth.** (a) For a grant to the Minnesota Alliance With Youth to improve student attendance and academic engagement provided through the Promise Fellow program:

\$1,500,000	2025
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(b) The Promise Fellow program must form partnerships with AmeriCorps members, individual schools, school districts, charter schools, and community organizations to provide attendance and academic engagement intervention services. Services may include family and caregiver outreach and engagement, academic support, connection to out-of-school activities and resources, and individual and small group mentoring designed to help students return to and maintain consistent school attendance.

(c) The Minnesota Alliance With Youth must promote Promise Fellow program opportunities throughout the state.

(d) This appropriation does not cancel but is available until June 30, 2027.

(e) This is a onetime appropriation.

Subd. 4. **Student attendance and truancy legislative study group.** (a) For transfer to the Legislative Coordinating Commission for the student attendance and truancy legislative study group:

<u>\$64,000</u>	<u>.....</u>	<u>2025</u>
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(b) This is a onetime appropriation.

Subd. 5. **English learner program task force.** (a) For the English learner program task force:

<u>\$117,000</u>	<u>.....</u>	<u>2025</u>
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(b) This is a onetime appropriation.

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

ARTICLE 2 EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2023 Supplement, section 120B.018, subdivision 6, is amended to read:

Subd. 6. **Required standard.** "Required standard" means ~~(1) a statewide adopted expectation for student learning in the content areas of language arts, mathematics, science, social studies, physical education, health, and the arts, and (2) a locally adopted expectation for student learning in health.~~ Locally developed academic standards in health apply until the end of the 2026-2027 school year, or until statewide rules implementing statewide health standards under section 120B.021, subdivision 3 are effective, whichever occurs later.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics, encompassing algebra II, integrated mathematics III, or an equivalent in high school, and to be prepared for the three credits of mathematics in grades 9 through 12, the grade 8 standards include completion of algebra;

(3) science, including earth and space science, life science, and the physical sciences, including chemistry and physics;

(4) social studies, including history, geography, economics, and government and citizenship that includes civics;

(5) physical education;

(6) health, ~~for which locally developed academic standards apply~~; and

(7) the arts. Public elementary and middle schools must offer at least three and require at least two of the following five arts areas: dance; media arts; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

(c) The department may modify SHAPE America (Society of Health and Physical Educators) standards and adapt the national standards to accommodate state interest. The modification and adaptations must maintain the purpose and integrity of the national standards. The department must make available sample assessments, which school districts may use as an alternative to local assessments, to assess students' mastery of the physical education standards beginning in the 2018-2019 school year.

(d) A school district may include child sexual abuse prevention instruction in a health curriculum, consistent with paragraph (a), clause (6). Child sexual abuse prevention instruction may include age-appropriate instruction on recognizing sexual abuse and assault, boundary violations, and ways offenders groom or desensitize victims, as well as strategies to promote disclosure, reduce self-blame, and mobilize bystanders. A school district may provide instruction under this paragraph in a variety of ways, including at an annual assembly or classroom presentation. A school district may also provide parents information on the warning signs of child sexual abuse and available resources.

(e) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

(f) Locally developed academic standards in health apply until the end of the 2026-2027 school year, or until statewide rules implementing statewide health standards under subdivision 3 are effective, whichever occurs later.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 2, is amended to read:

Subd. 2. **Standards development.** (a) The commissioner must consider advice from at least the following stakeholders in developing statewide rigorous core academic standards in language arts, mathematics, science, social studies, including history, geography, economics, government and citizenship, health, and the arts:

(1) parents of school-age children and members of the public throughout the state;

(2) teachers throughout the state currently licensed and providing instruction in language arts, mathematics, science, social studies, health, or the arts and licensed elementary and secondary school principals throughout the state currently administering a school site;

(3) currently serving members of local school boards and charter school boards throughout the state;

(4) faculty teaching core subjects at postsecondary institutions in Minnesota;

(5) representatives of the Minnesota business community; ~~and~~

(6) representatives from the Tribal Nations Education Committee and Tribal Nations and communities in Minnesota, including both Anishinaabe and Dakota; and

(7) current students, with input from the Minnesota Youth Council.

(b) Academic standards must:

(1) be clear, concise, objective, measurable, and grade-level appropriate;

(2) not require a specific teaching methodology or curriculum; and

(3) be consistent with the Constitutions of the United States and the state of Minnesota.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** (a) The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under section 14.389 for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts.

(b) The commissioner must adopt statewide rules for implementing statewide rigorous core academic standards in health.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian Tribes and communities, including urban Indigenous communities, as related to the academic standards during the review and revision of the required academic standards. The commissioner must embed Indigenous education for all students consistent with recommendations from Tribal Nations and urban Indigenous communities in Minnesota regarding the contributions of American Indian Tribes and communities in Minnesota into the state's academic standards during the review and revision of the required academic standards. The recommendations to embed Indigenous education for all students includes but is not limited to American Indian experiences in Minnesota, including Tribal histories, Indigenous languages, sovereignty issues, cultures, treaty rights, governments, socioeconomic experiences, contemporary issues, and current events.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.302, subdivision 3, paragraph (a). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2021-2022 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2017-2018 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2018-2019 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2019-2020 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2020-2021 school year and every ten years thereafter.

(g) The commissioner must implement a review of the academic standards and related benchmarks in physical education beginning in the 2026-2027 school year and every ten years thereafter.

(h) The commissioner must implement a review of the academic standards and related benchmarks in health education beginning in the 2034-2035 school year and every ten years thereafter.

~~(h)~~ (i) School districts and charter schools must revise and align local academic standards and high school graduation requirements in ~~health~~, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in ~~health~~, world languages, and career and technical education.

~~(i)~~ (j) The commissioner of education must embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements.

~~(j)~~ (k) The commissioner of education must embed ethnic studies as related to the academic standards during the review and revision of the required academic standards.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** (a) Students must successfully complete the following high school level credits for graduation:

(1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;

(2) three credits of mathematics sufficient to satisfy all of the academic standards in mathematics;

(3) three credits of science, including one credit to satisfy all the earth and space science standards for grades 9 through 12, one credit to satisfy all the life science standards for grades 9 through 12, and one credit to satisfy all the chemistry or physics standards for grades 9 through 12;

(4) three and one-half credits of social studies, including credit for a course in government and citizenship in either grade 11 or 12 for students beginning grade 9 in the 2024-2025 school year and later or an advanced placement, international baccalaureate, or other rigorous course on government and citizenship under section 120B.021, subdivision 1a, and a combination of other credits encompassing at least United States history, geography, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;

(5) one credit of the arts sufficient to satisfy all of the academic standards in the arts;

(6) credits sufficient to satisfy the state standards in physical education; ~~and~~

(7) credits sufficient to satisfy the state standards in health upon adoption of statewide rules for implementing health standards under section 120B.021; and

~~(7)~~ (8) a minimum of seven elective credits.

(b) Students who begin grade 9 in the 2024-2025 school year and later must successfully complete a course for credit in personal finance in grade 10, 11, or 12. A teacher of a personal finance course that satisfies the graduation requirement must have a field license or out-of-field permission in agricultural education, business, family and consumer science, social studies, or math.

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

Sec. 7. **[120B.025] HEALTH EDUCATION STANDARDS.**

Subdivision 1. **Statewide standards.** The commissioner of education must begin the rulemaking process to adopt statewide academic standards in health in accordance with chapter 14 and section 120B.021. The commissioner must consult with the commissioner of health and the commissioner of human services in developing the proposed rules. The rules must include at least the expectations for student learning listed in subdivision 2, and may include the expectations in subdivision 3, in addition to other expectations for learning identified through the standards development process.

Subd. 2. **Required subject areas.** The commissioner must include the following expectations for learning in the statewide standards:

(1) cardiopulmonary resuscitation and automatic external defibrillator education that allows districts to provide instruction to students in grades 7 through 12 in accordance with section 120B.236;

(2) vaping awareness and prevention education that allows districts to provide instruction to students in grades 6 through 8 in accordance with section 120B.238, subdivision 3;

(3) cannabis use and substance use education that allows districts to provide instruction to students in grades 6 through 12 in accordance with section 120B.215;

(4) sexually transmitted infections and diseases education that meets the requirements of section 121A.23; and

(5) mental health education for students in grades 4 through 12.

Subd. 3. **Other subject areas.** The commissioner may include the following expectations for learning in the statewide standards:

(1) child sexual abuse prevention education in accordance with sections 120B.021, subdivision 1, paragraph (d); and 120B.234;

(2) violence prevention education in accordance with section 120B.22;

(3) character development education in accordance with section 120B.232;

(4) safe and supportive schools education in accordance with section 121A.031, subdivision 5; and

(5) other expectations for learning identified through the standards development process.

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

Sec. 8. Minnesota Statutes 2022, section 124D.093, subdivision 3, is amended to read:

Subd. 3. **Application process.** The commissioner must determine the form and manner of application for a school to be designated a P-TECH school. The application for an implementation grant must contain at least the following information:

(1) the written agreement between a public school, a higher education institution under section 124D.09, subdivision 3, paragraph (a), and a business partner to jointly develop and support a P-TECH school;

(2) a proposed school design consistent with subdivisions 1 and 2;

(3) a description of how the P-TECH school supports the needs of the economic development region in which the P-TECH school is to be located;

(4) a description of the facilities to be used by the P-TECH school;

(5) a description of proposed budgets, curriculum, transportation plans, and other operating procedures for the P-TECH school;

(6) the process by which students will be enrolled in the P-TECH school;

(7) the qualifications required for individuals employed in the P-TECH school; and

(8) any additional information that the commissioner requires.

Sec. 9. Minnesota Statutes 2022, section 124D.093, subdivision 4, is amended to read:

Subd. 4. **Approval process.** (a) The commissioner of education must appoint an advisory committee to review the applications and to recommend approval for those applications that meet the requirements of this section. The commissioner of education has final authority over application approvals.

(b) To the extent practicable, the commissioner must ensure an equitable geographic distribution of approved P-TECH schools.

~~(c) The commissioner must first begin approving applications for a P-TECH school enrolling students in the 2020-2021 school year or later.~~

Sec. 10. Minnesota Statutes 2022, section 124D.093, subdivision 5, is amended to read:

Subd. 5. **P-TECH support grants.** (a) When an appropriation is available, each P-TECH school is eligible for a grant to support start-up and ongoing program costs, which may include, but are not limited to, recruitment, student support, program materials, and P-TECH school liaisons. A P-TECH school may form a partnership with a school in another school district.

(b) For fiscal year 2026 and later, the maximum P-TECH support grant must not exceed \$500,000 per year. A support grant may be awarded for a period not to exceed two years. Beginning in fiscal year 2028, all P-TECH support grants must be awarded on a competitive grant basis.

(c) An approved P-TECH school is eligible to receive a grant to support start-up costs the year before first enrolling P-TECH students. A start-up grant may be awarded to a new applicant in an amount not to exceed \$50,000.

(d) A grant recipient operating a P-TECH program may provide mentoring and technical assistance to a school eligible for a start-up grant. A mentoring and technical assistance grant may not exceed \$50,000.

(e) For each year that an appropriation is made for the purposes of this section, the Department of Education may retain five percent of the appropriation for grant administration and program oversight.

Sec. 11. Minnesota Statutes 2022, section 124D.957, subdivision 1, is amended to read:

Subdivision 1. **Establishment and membership.** The Minnesota Youth Council Committee is established within and under the auspices of the Minnesota Alliance With Youth. The committee consists of four members from each congressional district in Minnesota and four members selected at-large. Members must be selected through an application and interview process conducted by the Minnesota Alliance With Youth. In making its appointments, the Minnesota Alliance With Youth should strive to ensure gender and ethnic diversity in the committee's membership. Members must be ~~between the ages of 13 and 19~~ in grades 8 through 12 and serve two-year terms, except that one-half of the initial members must serve a one-year term. Members may serve a maximum of two terms.

EFFECTIVE DATE. This section is effective for appointments made on or after July 1, 2024.

Sec. 12. Laws 2023, chapter 55, article 2, section 64, subdivision 2, as amended by Laws 2024, chapter 81, section 8, is amended to read:

Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$82,818,000	.....	2024
\$ 84,739,000 <u>85,043,000</u>	.....	2025

(b) The 2024 appropriation includes \$8,172,000 for 2023 and \$74,646,000 for 2024.

(c) The 2025 appropriation includes \$8,294,000 for 2024 and ~~\$76,445,000~~ \$76,749,000 for 2025.

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

Sec. 13. Laws 2023, chapter 55, article 2, section 64, subdivision 14, is amended to read:

Subd. 14. **Ethnic studies school grants.** (a) For competitive grants to school districts and charter schools to develop, evaluate, and implement ethnic studies courses:

\$700,000	.....	2024
\$700,000	.....	2025

(b) The commissioner must consult with the Ethnic Studies Working Group to develop criteria for the grants.

(c) Up to five percent of the appropriation is available for grant administration.

(d) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 14. Laws 2023, chapter 55, article 2, section 64, subdivision 16, is amended to read:

Subd. 16. **Full-service community schools.** (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

\$7,500,000	.....	2024
\$7,500,000	.....	2025

(b) Of this amount, priority must be given to programs in the following order:

(1) current grant recipients issued under Minnesota Statutes, section 124D.231;

(2) schools identified as low-performing under the federal Every Student Succeeds Act; and

(3) any other applicants.

(c) Up to two percent of the appropriation is available for grant administration.

(d) The base for fiscal year 2026 and later is \$5,000,000.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 15. Laws 2023, chapter 55, article 2, section 64, subdivision 31, is amended to read:

Subd. 31. **Nonexclusionary discipline.** (a) For grants to school districts and charter schools to provide training for school staff on nonexclusionary disciplinary practices:

\$1,750,000	.....	2024
\$1,750,000	.....	2025

(b) Grants are to develop training and to work with schools to train staff on nonexclusionary disciplinary practices that maintain the respect, trust, and attention of students and help keep students in classrooms. These funds may also be used for grant administration.

(c) Eligible grantees include school districts, charter schools, intermediate school districts, and cooperative units as defined in section 123A.24, subdivision 2.

(d) Up to five percent of the appropriation is available for grant administration.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 16. Laws 2023, chapter 55, article 2, section 64, subdivision 33, is amended to read:

Subd. 33. **P-TECH schools.** (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

\$791,000	.....	2024
\$791,000	.....	2025

(b) The amounts in this subdivision are for grants, including fiscal year 2024 appropriation must be awarded as a grant to a public-private partnership that includes Independent School District No. 535, Rochester. The fiscal year 2025 appropriation must include a grant of at least \$500,000 to a public-private partnership that includes Independent School District No. 535, Rochester. The department may award start-up grants and technical assistance grants beginning in fiscal year 2025.

(c) Any balance in the first year does These appropriations do not cancel but is are available in the second year until June 30, 2027. Notwithstanding any law to the contrary, a grant recipient may spend its grant amount in the fiscal year the grant is awarded or in the following three fiscal years.

(d) The department may retain up to five percent of the fiscal year 2024 appropriation and five percent of the fiscal year 2025 appropriation for grant administration.

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

Sec. 17. **APPROPRIATIONS.**

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. Civic education grants. (a) For grants to the YMCA Youth in Government program and the YMCA Center for Youth Voice program to support civic education programs for youth age 18 and under by providing teacher professional development, educational resources, and program support:

\$150,000	2025
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(b) The Youth in Government and Center for Youth Voice programs must instruct students in:

(1) the constitutional principles and the democratic foundation of our national, state, and local institutions; and

(2) the political processes and structures of government, grounded in the understanding of constitutional government and individual rights.

(c) This is a onetime appropriation.

Sec. 5. Minnesota Statutes 2023 Supplement, section 120B.12, subdivision 1, is amended to read:

Subdivision 1. **Literacy goal.** (a) The legislature seeks to have every child reading at or above grade level every year, beginning in kindergarten, and to support multilingual learners and students receiving special education services in achieving their individualized reading goals in order to meet grade-level proficiency. By the 2026-2027 school year, districts must provide evidence-based reading instruction through a focus on student mastery of the foundational reading skills of phonemic awareness, phonics, and fluency, as well as the development of oral language, vocabulary, and reading comprehension skills. Students must receive evidence-based instruction that is proven to effectively teach children to read, consistent with sections ~~120B.117~~ 120B.118 to 120B.124.

(b) To meet this goal, each district must provide teachers and instructional support staff with responsibility for teaching reading with training on evidence-based reading instruction that is approved by the Department of Education by the deadlines provided in ~~this subdivision~~ section 120B.123, subdivision 5. ~~The commissioner may grant a district an extension to the deadlines in this paragraph. Beginning July 1, 2024, a district must provide access to the training required under section 120B.123, subdivision 5, to:~~

~~(1) intervention teachers working with students in kindergarten through grade 12;~~

~~(2) all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;~~

~~(3) special education teachers;~~

~~(4) curriculum directors;~~

~~(5) instructional support staff who provide reading instruction; and~~

~~(6) employees who select literacy instructional materials for a district.~~

~~(c) All other teachers and instructional staff required to receive training under the Read Act must complete the training no later than July 1, 2027.~~

~~(d)~~ (c) Districts are strongly encouraged to adopt a MTSS framework. The framework should include a process for monitoring student progress, evaluating program fidelity, and analyzing student outcomes and needs in order to design and implement ongoing evidenced-based instruction and interventions.

Sec. 6. Minnesota Statutes 2023 Supplement, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** (a) ~~Twice per year,~~ Each school district must screen every student enrolled in kindergarten, grade 1, grade 2, and grade 3 using a screening tool approved by the Department of Education three times each school year: (1) within the first six weeks of the school year; (2) by February 15 each year; and (3) within the last six weeks of the school year. Students enrolled in kindergarten, grade 1, grade 2, and grade 3, including multilingual learners and students receiving special education services, must be universally screened for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, oral language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and oral language. A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan submission due on June 15.

(b) Students in grades 4 and above, including multilingual learners and students receiving special education services, who do not demonstrate mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language, must be screened using a screening tool approved by the Department of Education for characteristics of dyslexia, and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

(c) Reading screeners in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of multilingual learners. The district must use an approved, developmentally appropriate, and culturally responsive screener and annually report summary screener results to the commissioner by June 15 in the form and manner determined by the commissioner.

(d) The district also must include in its literacy plan under subdivision 4a, a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia as measured by a screening tool approved by the Department of Education. Districts are strongly encouraged to use ~~the~~ a MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

- (1) a summary of the district's efforts to screen for dyslexia;
- (2) the number of students universally screened for that reporting year;
- (3) the number of students demonstrating characteristics of dyslexia for that year; and
- (4) an explanation of how students identified under this subdivision are provided with alternate instruction and interventions under section 125A.56, subdivision 1.

Sec. 7. Minnesota Statutes 2023 Supplement, section 120B.12, subdivision 2a, is amended to read:

Subd. 2a. **Parent notification and involvement.** A district must administer ~~a~~ an approved reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. Schools, at least biannually after administering each screener, must give the parent of each student who is not reading at or above grade level timely information about:

- (1) the student's reading proficiency as measured by a screener approved by the Department of Education;
- (2) reading-related services currently being provided to the student and the student's progress; and
- (3) strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

A district may not use this section to deny a student's right to a special education evaluation.

Sec. 8. Minnesota Statutes 2023 Supplement, section 120B.12, subdivision 3, is amended to read:

Subd. 3. **Intervention.** (a) For each student identified under subdivision 2, the district shall provide reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. A district is encouraged to provide reading intervention through a MTSS framework. If a student does not read at or above grade level by the end of the current school year, the district must continue to

provide reading intervention until the student reads at grade level. District intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs that specialize in evidence-based instructional practices and measure mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language. By the 2025-2026 school year, intervention programs must be taught by an intervention teacher or special education teacher who has successfully completed training in evidence-based reading instruction approved by the Department of Education. Intervention may include but is not limited to requiring student attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended-day programs, or programs that strengthen students' cultural connections.

(b) A district or charter school is strongly encouraged to provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3 or a screener identified by the Department of Education under section 120B.123. The district or charter school must determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school must develop the learning plan in consultation with the student's parent or guardian. The personal learning plan must include targeted instruction that is evidence-based and ongoing progress monitoring, and address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school day, group interventions, periodic assessments or screeners, and reasonable timelines. The personal learning plan may include grade retention, if it is in the student's best interest; a student may not be retained solely due to delays in literacy or not demonstrating grade-level proficiency. A school must maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an individualized education program.

(c) Starting in the 2025-2026 school year, a district must use only evidence-based literacy interventions. Districts are strongly encouraged to use intervention materials approved by the Department of Education under the Read Act.

Sec. 9. Minnesota Statutes 2023 Supplement, section 120B.12, subdivision 4, is amended to read:

Subd. 4. **Staff development.** (a) A district must provide training on evidence-based ~~reading~~ structured literacy instruction to teachers and instructional staff in accordance with subdivision 1, ~~paragraph~~ paragraphs (b) and (c). The training must include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

(b) Each district shall use the data under subdivision 2 to identify the staff development needs so that:

(1) elementary teachers are able to implement explicit, systematic, evidence-based instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension with emphasis on mastery of foundational reading skills as defined in section ~~120B.1118~~ 120B.119 and other literacy-related areas including writing until the student achieves grade-level reading and writing proficiency;

(2) elementary teachers ~~have sufficient~~ receive training to provide students with evidence-based reading and oral language instruction that meets students' developmental, linguistic, and literacy needs using the intervention methods or programs selected by the district for the identified students;

(3) licensed teachers employed by the district have ~~regular~~ opportunities to improve reading and writing instruction through professional development identified in the local literacy plan;

(4) licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are multilingual learners by maximizing strengths in their native languages in order to cultivate students' English language development, including oral academic language development, and build academic literacy; and

(5) licensed teachers are ~~well~~ trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships.

(c) A district that offers early childhood programs, including voluntary prekindergarten for eligible four-year-old children, early childhood special education, and school readiness programs, must provide ~~staff~~ classroom teachers in early childhood programs ~~sufficient~~ training approved by the Department of Education to provide children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

Sec. 10. Minnesota Statutes 2023 Supplement, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level every year beginning in kindergarten and to support multilingual learners and students receiving special education services in achieving their individualized reading goals. A district must update and submit the plan to the commissioner by June 15 each year. The plan must be consistent with the Read Act, and include the following:

(1) a process to assess students' foundational reading skills, oral language, and level of reading proficiency and the approved screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention;

(5) identification of staff development needs, including a plan to meet those needs;

(6) the curricula used by school site and grade level, and, if applicable, the district plan and timeline for adopting approved curricula and materials, starting in the 2025-2026 school year;

(7) a statement of whether the district has adopted a MTSS framework;

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education for the following students:

(i) students in kindergarten through grade 3;

(ii) students who demonstrate characteristics of dyslexia; and

(iii) students in grades 4 to 12 who are identified as not reading at grade level; ~~and~~

(9) the number of teachers and other staff that have completed training approved by the department;

(10) the number of teachers and other staff proposed for training in structured literacy; and

(11) how the district used funding provided under the Read Act to implement the requirements of the Read Act.

(b) The district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education beginning June 15, 2024.

(c) By March 1, 2024, the commissioner of education must develop a streamlined template for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff that have completed training approved by the Department of Education;

(2) the number of teachers and other staff required to complete the training under section 120B.123, subdivision 5, that have not completed the training;

(3) the number of teachers exempt under section 120B.123, subdivision 5, from completing training approved by the Department of Education;

~~(2) (4)~~ by school site and grade, the screeners ~~used at the beginning and end of the school year~~ and the reading curriculum used; and

~~(3) (5)~~ by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data on student performance on the approved screeners using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2).

(e) By December 1, 2026, and December 1, 2027, the commissioner of education must submit updated reports containing the information required under paragraph (d) to the legislative committees with jurisdiction over prekindergarten through grade 12 education.

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 120B.123, subdivision 1, is amended to read:

Subdivision 1. **Approved screeners.** (a) A district must administer an approved evidence-based reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. The screener must be one of the screening tools approved by the Department of Education. A district must identify any screener it uses in the district's annual literacy plan, and submit screening data with the annual literacy plan by June 15.

(b) Starting in the 2024-2025 school year, district staff, contractors, and volunteers may use only screeners that have been approved by the Department of Education.

Sec. 12. Minnesota Statutes 2023 Supplement, section 120B.123, subdivision 2, is amended to read:

Subd. 2. **Progress monitoring.** A district must implement progress monitoring, as defined in section ~~120B.118~~ 120B.119, for a student not reading at grade level.

Sec. 13. Minnesota Statutes 2023 Supplement, section 120B.123, subdivision 5, is amended to read:

Subd. 5. **Professional development.** (a) A district must provide training from a menu of approved evidence-based training programs to ~~all~~ the following teachers and staff by July 1, 2026:

~~(1) reading intervention teachers, literacy specialists, and other teachers and staff identified in section 120B.12, subdivision 1, paragraph (b), by July 1, 2025; and by July 1, 2027, to other teachers in the district, prioritizing teachers who work with students with disabilities, English learners, and students who qualify for the graduation incentives program under section 124D.68, working with students in kindergarten through grade 12;~~

(2) all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;

(3) special education teachers;

(4) curriculum directors;

(5) instructional support staff, contractors, and volunteers who assist in providing Tier 2 interventions;

(6) employees who select literacy instructional materials for a district; and

(7) teachers licensed to teach English to multilingual learners.

(b) A district must provide training from a menu of approved evidence-based training programs to the following teachers by July 1, 2027:

(1) teachers who provide reading instruction to students in grades 4 to 12; and

(2) teachers who provide instruction to students in a state-approved alternative program.

(c) The commissioner of education may grant a district an extension to the deadlines in this subdivision.

(d) Training provided by a department-approved certified trained facilitator may satisfy the professional development requirements under this subdivision.

(e) For the 2024-2025 school year only, the hours of instruction requirement under section 120A.41 for students in grades 1 through 5 is reduced to 929-1/2 hours for a district that enters into an agreement with the exclusive representative of the teachers that requires teachers to receive at least 5-1/2 hours of approved evidence-based training required under this subdivision, on a day when other students in the district receive instruction. If a charter school's teachers are not represented by an exclusive representative, the charter school may reduce the number of instructional hours for students in grades 1 through 5 by 5-1/2 hours after consulting with its teachers in order to provide teachers with at least 5-1/2 hours of evidence-based training required under this subdivision on a day when other students receive instruction.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 120B.123, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) By July 1, 2023, the department must make available to districts a list of approved evidence-based screeners in accordance with section 120B.12. A district must use an approved screener to assess students' mastery of foundational reading skills in accordance with section 120B.12.

(b) The Department of Education must partner with CAREI as required under section 120B.124 to approve professional development programs, subject to final determination by the department. After the implementation partnership under section 120B.124 ends, the department must continue to regularly provide districts with information about professional development opportunities available throughout the state on reading instruction that is evidence-based.

(c) The department must identify training required for a literacy lead and literacy specialist employed by a district or Minnesota service cooperatives.

(d) The department must employ a one or more literacy specialist specialists to provide support to districts implementing the Read Act and coordinate duties assigned to the department under the Read Act. The literacy specialist must work on state efforts to improve literacy tracking and implementation.

(e) The department must develop a template for a local literacy plan in accordance with section 120B.12, subdivision 4a.

(f) The department must partner with CAREI as required under section 120B.124 to approve literacy intervention models, subject to final determination by the department. The department must make a list of the approved intervention models available to districts, and make available to districts a list of at least 15 approved evidence-based literacy intervention models by November 1, 2025. The department may make the list of approved intervention models available as each program is approved.

(g) The department must provide ongoing coaching, mentoring, and support to certified trained facilitators.

(h) The department must collaborate with the publishers of curriculum and intervention models approved by the department and CAREI on updating the curriculum and materials to reflect the cultural diversity of students and students with disabilities.

(i) The Department of Education must partner with the regional literacy networks to identify or develop training for paraprofessionals that regularly assist in providing Tier 2 literacy interventions to students in Minnesota school districts on the key components of structured literacy instruction and interventions by June 10, 2025. The training must be at least eight hours long.

Sec. 15. Minnesota Statutes 2023 Supplement, section 120B.123, is amended by adding a subdivision to read:

Subd. 8. **Special revenue fund.** (a) An account is established in the special revenue fund known as the Read Act program account. All amounts appropriated under Laws 2023, chapter 55, article 3, that are unobligated and unencumbered as of June 30, 2028, must be transferred to the Read Act program account. Remaining unspent funds from previously obligated or encumbered appropriations under the Read Act cancel to the Read Act program account.

(b) Funds appropriated to implement the Read Act must be transferred to the Read Act program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for curriculum, training, and other programming necessary to implement the Read Act.

Sec. 16. Minnesota Statutes 2023 Supplement, section 120B.124, subdivision 1, is amended to read:

Subdivision 1. **Resources.** (a) The Department of Education must partner with CAREI for two years beginning July 1, 2023, until August 30, 2025, to support implementation of the Read Act. The department and CAREI must jointly:

(1) identify at least five literacy curricula and supporting materials that are evidence-based or focused on structured literacy by January 1, 2024, and post a list of the curricula on the department website. The list must include curricula that use culturally and linguistically responsive materials that reflect diverse populations and, to the extent practicable, curricula that reflect the experiences of students from diverse backgrounds, including multilingual learners, biliterate students, and students who are Black, Indigenous, and People of Color. A district is not required to use an approved curriculum, unless the curriculum was purchased with state funds that require a curriculum to be selected from a list of approved curricula;

(2) identify at least three professional development programs that focus on the five pillars of literacy and the components of structured literacy by August 15, 2023, subject to final approval by the department. The department must post a list of the programs on the department website. The programs may include a program offered by CAREI. The requirements of section 16C.08 do not apply to the selection of a provider under this section;

(3) identify evidence-based literacy intervention materials for students in kindergarten through grade 12;

(4) develop an evidence-based literacy lead training program that trains literacy specialists throughout Minnesota to support schools' efforts in screening, measuring growth, monitoring progress, and implementing interventions in accordance with subdivision 1;

(5) identify measures of foundational literacy skills and mastery that a district must report on a local literacy plan;

(6) provide guidance to districts about best practices in literacy instruction, and practices that are not evidence-based;

(7) develop MTSS model plans that districts may adopt to support efforts to screen, identify, intervene, and monitor the progress of students not reading at grade level; ~~and~~

(8) ensure that teacher professional development options and MTSS framework trainings are geographically equitable by supporting trainings through the regional service cooperatives;

(9) identify or develop training for volunteers in accordance with subdivision 4;

(10) develop a coaching and mentorship program for certified trained facilitators; and

(11) identify at least 15 evidence-based literacy intervention models by November 1, 2025, and post a list of the interventions on the department website. A district is not required to use an approved intervention model, unless the intervention model was purchased with state funds that require an intervention model to be selected from a list of approved models.

(b) The department and CAREI may partner to identify literacy curriculum and supporting materials, and revise the list of curriculum and supporting materials that are evidence-based or focused on structured literacy, starting in 2033.

Sec. 17. Minnesota Statutes 2023 Supplement, section 120B.124, subdivision 2, is amended to read:

Subd. 2. **Reconsideration.** (a) The department and CAREI must provide districts an opportunity to request that the department and CAREI add to the list of curricula or professional development programs a specific curriculum or professional development program. The department must publish the request for reconsideration procedure on the department website. A request for reconsideration must demonstrate that the curriculum or professional development program meets the requirements of the Read Act, is evidence-based, and has structured literacy components; or that the screener accurately measures literacy growth, monitors progress, and accurately assesses effective reading, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. The department and CAREI must review the request for reconsideration and approve or deny the request within 60 days.

(b) The department and CAREI must conduct a final curriculum review of previously submitted curriculum by March 3, 2025, to review curriculum that is available to districts at no cost.

(c) The department and CAREI must provide districts an opportunity to request that the department and CAREI add to the list of approved literacy intervention models. The department must publish the request for reconsideration procedure on the department website. A request for reconsideration must demonstrate that the intervention model meets the requirements of the Read Act, is evidence-based, and has structured literacy components. The department and CAREI must review the request for reconsideration and approve or deny the request within 90 days.

Sec. 18. Minnesota Statutes 2023 Supplement, section 120B.124, is amended by adding a subdivision to read:

Subd. 4. **Training for volunteers.** The Department of Education must partner with CAREI to identify or develop training on the key components of structured literacy instruction and interventions for volunteers and other persons not employed by a district that provide Tier 2 literacy interventions to students in Minnesota school districts on a regular basis by June 10, 2025, subject to final approval by the department.

Sec. 19. Minnesota Statutes 2023 Supplement, section 124D.42, subdivision 8, is amended to read:

Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps program is established to provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills, including evidence-based literacy instruction under sections 120B.1117 to 120B.124, to children age 3 to grade 3 and interventions for children in kindergarten to grade ~~4~~ 3.

(b) Literacy programs under this subdivision must comply with the provisions governing literacy program goals and data use under section 119A.50, subdivision 3, paragraph (b).

(c) Literacy programs under this subdivision must use evidence-based reading instruction and interventions focused on structured literacy and must provide training to ServeMinnesota AmeriCorps members that meets or exceeds the requirements of section 120B.124, subdivision 4, for volunteers.

~~(e)~~ (d) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.

Sec. 20. Minnesota Statutes 2023 Supplement, section 124D.98, subdivision 5, is amended to read:

Subd. 5. **Literacy incentive aid uses.** A school district must use its literacy incentive aid to support implementation of evidence-based reading instruction. The following are eligible uses of literacy incentive aid:

(1) training for kindergarten through grade 3 teachers, early childhood educators, special education teachers, reading intervention teachers working with students in kindergarten through grade 12, curriculum directors, and instructional support staff that provide reading instruction, on using evidence-based screening and progress monitoring tools;

(2) evidence-based training using a training program approved by the Department of Education under the Read Act;

(3) employing or contracting with a literacy lead, as defined in section ~~420B.1118~~ 120B.119;

(4) employing an intervention specialist;

~~(4)~~ (5) approved screeners, materials, training, and ongoing coaching to ensure reading interventions under section 125A.56, subdivision 1, are evidence-based; and

~~(5)~~ (6) costs of substitute teachers to allow teachers to complete required training during the teachers' contract day; and

(7) stipends for teachers completing training required under section 120B.12.

Sec. 21. Laws 2023, chapter 55, article 3, section 11, subdivision 3, is amended to read:

Subd. 3. **Read Act curriculum and intervention materials reimbursement.** (a) ~~To reimburse~~ For state aid for school districts, charter schools, and cooperative units for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy:

\$35,000,000

.....

2024

~~(b) The commissioner must use this appropriation to reimburse school districts, charter schools, and cooperatives for approved evidence-based structured literacy curriculum and supporting materials, and intervention materials purchased after July 1, 2021. An applicant must apply for the reimbursement in the form and manner determined by the commissioner.~~

~~(c) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the districts, charter schools, and cooperative units that receive literacy grants and the amounts of each grant, by January 15, 2025, according to Minnesota Statutes, section 3.195.~~

(b) The aid amount for each school district, charter school, and cooperative unit providing direct instructional services equals the greater of \$2,000 or \$39.91 times the number of students served by the school district, charter school, or cooperative as determined by the fall 2023 enrollment count of students.

(c) A school district, charter school, or cooperative unit must place any aid received under this subdivision in a reserved account in the general fund. Aid in the reserved account must be used to implement requirements under the Read Act or for literacy incentive aid uses under Minnesota Statutes, section 124D.98, subdivision 5.

(d) A school district, charter school, or cooperative unit must purchase curriculum and instructional materials that reflect diverse populations.

(e) Of this amount, up to \$250,000 is available for ~~grant~~ administration.

(f) This appropriation does not cancel but is available until June 30, 2025. This is a onetime appropriation ~~and is available until June 30, 2028.~~

(g) This aid is 100 percent payable in fiscal year 2025.

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

Sec. 22. Laws 2023, chapter 55, article 3, section 11, subdivision 4, is amended to read:

Subd. 4. **Read Act professional development.** (a) For evidence-based training on structured literacy for teachers working in school districts, charter schools, and cooperatives:

\$34,950,000	.....	2024
\$ 0 <u>4,000,000</u>	.....	2025

(b) Of the amount for fiscal year 2024 in paragraph (a), \$18,000,000 is for the Department of Education and the regional literacy networks and \$16,700,000 is for statewide training. The department must use the funding to develop a data collection system to collect and analyze the submission of the local literacy plans and student-level universal screening data, to establish the regional literacy networks as a partnership between the department and the Minnesota service cooperatives, and to administer statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional literacy networks and the department. The regional literacy networks must focus on implementing comprehensive literacy reform efforts based on structured literacy. Each regional literacy network must add a literacy lead position and establish a team of trained literacy coaches to facilitate evidence-based structured literacy training opportunities and ongoing supports to school districts and charter schools in each of their regions. The amount in fiscal year 2025 is for statewide training. Funds appropriated under this subdivision may also be used to provide training in structured literacy to fourth and fifth grade classroom teachers and literacy professors from Minnesota institutions of higher education.

(c) Of the amount in paragraph (a), \$250,000 is for administration.

(d) If funds remain unspent on July 1, 2026, the commissioner must expand eligibility for approved training to include principals and other district, charter school, or cooperative administrators.

(e) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved structured literacy training using funds under this subdivision, and the amounts awarded to districts, charter schools, or cooperatives.

(f) The regional literacy networks and staff at the Department of Education must provide ongoing support to school districts, charter schools, and cooperatives implementing evidence-based literacy instruction.

(g) This appropriation is available until June 30, 2028. Any unspent funds do not cancel but are transferred to the Read Act program account in the special revenue fund. The base for fiscal year 2026 and later is \$7,750,000, of which \$6,500,000 is for the regional literacy networks and \$1,250,000 is for statewide training.

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

Sec. 23. **PELSB READING AUDIT REPORT.**

(a) The Professional Educator Licensing and Standards Board must conduct an audit that evaluates whether and how approved teacher training programs for candidates for the following licensure areas meet subject matter standards for reading:

(1) early childhood education in accordance with Minnesota Rules, part 8710.3000;

(2) elementary education in accordance with Minnesota Rules, part 8710.3200; and

(3) special education in accordance with Minnesota Rules, part 8710.5000.

(b) The board must submit an initial report with its findings to the legislative committees with jurisdiction over kindergarten through grade 12 and higher education by January 15, 2025, and a final report by August 1, 2026. Each report must:

(1) identify the reading standards for each licensure area, identify how they are aligned to the requirements of the Read Act, including requirements on evidence-based instruction, phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension, and to the requirements of Minnesota Statutes, section 122A.092, subdivision 5;

(2) describe how the board conducted the audit;

(3) identify the results of the audit; and

(4) summarize the program effectiveness reports for continuing approval related to reading standards reviewed by the board, including the board determinations under Minnesota Rules, part 8705.2200.

Sec. 24. **READ ACT DEAF, DEAFBLIND, AND HARD OF HEARING WORKING GROUP.**

Subdivision 1. **Working group purpose.** The Department of Education must establish a working group to make recommendations on literacy training, screeners, and curriculum for students who cannot fully access sound-based approaches such as phonics.

Subd. 2. **Members.** The Department of Education must appoint representatives from the Center for Applied Research and Educational Improvement at the University of Minnesota; the Minnesota Commission of the Deaf, Deafblind and Hard of Hearing; the Minnesota State Academies; Metro Deaf School; intermediate school districts; regional low-incidence facilitators; a Deaf and Hard of Hearing teacher licensure preparation program in Minnesota approved by the Professional Educator Licensing and Standards Board; and teachers of students who are deaf, deafblind, or hard of hearing.

Subd. 3. **Report.** The working group must review curriculum, screeners, and training approved under the Read Act and make recommendations for adapting curriculum, screeners, and training available to districts, charter schools, teachers, and administrators to meet the needs of students and educators who cannot fully access sound-based approaches. The report must address how approved curriculum, screeners, and training may be modified and identify resources for alternatives to sound-based approaches. The working group must post its report on the Department of Education website, and submit the report to the legislative committees with jurisdiction over kindergarten through grade 12 education no later than January 15, 2025.

Subd. 4. **Administrative provisions.** (a) The commissioner, or the commissioner's designee, must convene the initial meeting of the working group. At the first meeting, the department must provide members of the working group information on structured literacy and the curriculum, screeners, and training approved under the Read Act.

(b) Members of the working group are eligible for per diem compensation as provided under Minnesota Statutes, section 15.059, subdivision 3. The working group expires January 16, 2025, or upon submission of the report to the legislature under subdivision 3, whichever is earlier.

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

Sec. 25. **APPROPRIATION; SUPPLEMENTAL READ ACT FUNDING.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education in the fiscal year designated.

Subd. 2. **Read Act implementation.** (a) For transfer to the Read Act program account in the special revenue fund under Minnesota Statutes, section 120B.123:

\$33,225,000	2025
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(b) Of this amount, \$31,375,000 is for school districts, charter schools, and cooperatives, to be allocated based on the number of teachers required to complete training, as reported in local literacy plans. Districts, charter schools, and cooperatives may use the funding in the following order of priority:

(1) to compensate staff who complete an evidence-based professional development program approved under Minnesota Statutes, section 120B.124, outside of the regular work time or staff development time at their regular hourly wage;

(2) to pay for substitute teachers or other staff needed while teachers or other staff complete an evidence-based professional development program approved under section Minnesota Statutes, section 120B.124; and

(3) for stipends for teachers who have a license to teach in Minnesota and complete an evidence-based professional development program approved under Minnesota Statutes, section 120B.124, between July 1, 2021, and July 1, 2027.

(c) Of this amount, \$1,000,000 is for CAREI to collaborate with publishers of approved curriculum and intervention materials to improve the materials' cultural responsiveness, and ensure that the publisher provides districts, charter schools and cooperatives with the updated materials.

(d) Of this amount \$500,000 is for the department to develop training for paraprofessionals that regularly provide Tier 2 literacy interventions to students in Minnesota school districts, charter schools, or cooperative units.

(e) Of this amount, \$250,000 is for the department to partner with CAREI to develop training for volunteers, and other persons not employed by districts that regularly provide Tier 2 literacy interventions to students in Minnesota school districts, charter schools, or cooperative units.

(f) Of this amount, \$100,000 is for the Read Act Deaf, Deafblind, and Hard of hearing working group.

(g) This is a onetime appropriation.

Sec. 26. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering. The revisor shall also make any technical and other changes necessitated by the renumbering and cross-reference changes in this act.

Column A

Column B

120B.1117

120B.118

120B.1118

120B.119

ARTICLE 4
AMERICAN INDIAN EDUCATION

Section 1. Minnesota Statutes 2023 Supplement, section 124D.81, subdivision 2b, is amended to read:

Subd. 2b. **Carry forward of funds.** Notwithstanding section 16A.28, if a school district or Tribal contract school does not expend the full amount of the American Indian education aid in accordance with the plan in the designated fiscal year, the school district or Tribal contract school may carry forward and expend up to half of the remaining funds in the ~~first six months of the~~ following fiscal year, and is not subject to an aid reduction if:

(1) the district is otherwise following the plan submitted and approved under subdivision 2;

(2) the American Indian Parent Advisory Committee for the school is aware of and has approved the carry forward and has concurred with the district's educational offerings extended to American Indian students under section 124D.78;

(3) the funds carried over are used in accordance with section 124D.74, subdivision 1; and

(4) by April 1, the district reports to the Department of Education American Indian education director the reason the aid was not expended in the designated fiscal year, and describes how the district intends to expend the funds in the following fiscal year. The district must report this information in the form and manner determined by the commissioner.

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

ARTICLE 5
TEACHERS

Section 1. Minnesota Statutes 2023 Supplement, section 121A.642, is amended to read:

121A.642 PARAPROFESSIONAL TRAINING.

Subdivision 1. **Training required.** (a) For purposes of this section, "school" means a school district or, charter school, intermediate school district, other cooperative unit, Perpich Center for Arts Education, or the Minnesota State Academies.

(b) A school must provide a minimum of eight hours of paid orientation or professional development annually to all paraprofessionals, Title I aides, and other instructional support staff.

(c) Six of the eight hours must be completed before the first instructional day of the school year or within 30 days of hire.

(d) The orientation or professional development must be relevant to the employee's occupation and may include collaboration time with classroom teachers and planning for the school year.

(e) For paraprofessionals who provide direct support to students, at least 50 percent of the professional development or orientation must be dedicated to meeting the requirements of this section. Professional development for paraprofessionals may also address the requirements of section 120B.363, subdivision 3.

(f) A school administrator must provide an annual certification of compliance with this requirement to the commissioner.

(g) For the 2024-2025 school year only, a school may reduce the hours of training required in paragraphs (b) to (e) to a minimum of six hours and must pay for paraprofessional test materials and testing fees for any paraprofessional employed by the school district during the 2023-2024 school year who has not yet successfully completed the paraprofessional assessment or met the requirements of the paraprofessional competency grid.

Subd. 2. **Reimbursement for paraprofessional training.** (a) Beginning in fiscal year 2025, the commissioner of education must reimburse ~~school districts, charter schools, intermediate school districts and other cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies~~ schools in the form and manner specified by the commissioner for paraprofessional training costs.

(b) The paraprofessional reimbursement equals the prior year compensation expenses associated with providing up to eight hours of paid orientation and professional development for each paraprofessional trained under subdivision 1. For purposes of this paragraph, "compensation expenses" means the sum of the following amounts attributable to the school's paraprofessionals:

(1) regular hourly wages;

(2) Federal Insurance Contributions Act (FICA) taxes under United States Code, title 26, chapter 21; and

(3) the employer share of retirement contributions required under chapter 352, 353, 354, or 354A.

(c) The commissioner may establish procedures to ensure that any costs reimbursed under this section are excluded from other school revenue calculations.

(d) For the school reimbursements paid in fiscal year 2026 for costs incurred during the 2024-2025 school year only, the commissioner must not reduce the aid to any school that paid for paraprofessional test materials or testing fees under subdivision 1, paragraph (g).

Subd. 3. **Consultation.** In any school where the paraprofessionals are represented by a bargaining unit, the school must consult with the exclusive representative for employees receiving training when creating or planning training required under this section.

EFFECTIVE DATE. The amendments to subdivisions 1 and 2 are effective July 1, 2024. Subdivision 3 is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2023 Supplement, section 122A.415, subdivision 4, is amended to read:

Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for a charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$88,118,000 for fiscal year 2023; \$88,461,000 for fiscal year 2024; ~~\$88,461,000~~ \$88,961,000 for fiscal year 2025; and \$89,486,000 for fiscal year 2026 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 3. Minnesota Statutes 2022, section 122A.415, is amended by adding a subdivision to read:

Subd. 7. **Revenue reserved.** Revenue received under this section must be reserved and used only for the programs authorized under section 122A.414.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 4. Minnesota Statutes 2023 Supplement, section 122A.73, subdivision 2, is amended to read:

Subd. 2. **Grow Your Own district programs.** (a) A school district, charter school, Tribal contract school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant for a teacher preparation program that meets the requirements of paragraph (c) to establish a Grow Your Own pathway for adults to obtain their first professional teaching license. The grant recipient must use at least 80 percent of grant funds to provide tuition scholarships or stipends to enable school district employees or community members affiliated with a school district, who are of color or American Indian and who seek a teaching license, to participate in the teacher preparation program. Grant funds may also be used to pay for teacher licensure exams and licensure fees.

(b) A district using grant funds under this subdivision to provide financial support to teacher candidates may require a commitment as determined by the district to teach in the district for a reasonable amount of time that does not exceed five years.

(c) A grantee must partner with:

(1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;

(2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not for profit, institution of higher education; or

(3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 122A.73, subdivision 3, is amended to read:

Subd. 3. **Grants for programs serving secondary school students.** (a) A school district or charter school may apply for grants under this section to offer other innovative programs that encourage secondary school students, especially students of color and American Indian students, to pursue teaching. To be eligible for a grant under this subdivision, an applicant must ensure that the aggregate percentage of secondary school students of color and American Indian students participating in the program is equal to or greater than the aggregate percentage of students of color and American Indian students in the school district, charter school, Tribal contract school, or cooperative unit.

(b) A grant recipient must use grant funds awarded under this subdivision for:

(1) supporting future teacher clubs or service-learning opportunities that provide middle and high school students with experiential learning that supports the success of younger students or peers and increases students' interest in pursuing a teaching career;

(2) developing and offering postsecondary enrollment options for "Introduction to Teaching" or "Introduction to Education" courses consistent with section 124D.09, subdivision 10, that meet degree requirements for teacher licensure;

(3) providing direct support, including wrap-around services, for students who are of color or American Indian to enroll and be successful in postsecondary enrollment options courses under section 124D.09 that would meet degree requirements for teacher licensure; or

(4) offering scholarships to graduating high school students who are of color or American Indian to enroll in board-approved undergraduate teacher preparation programs at a college or university in Minnesota or in an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

(c) The maximum grant award under this subdivision is \$500,000. The commissioner may consider the number of participants a grant recipient intends to support when determining a grant amount.

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

Sec. 6. Minnesota Statutes 2022, section 122A.73, subdivision 4, is amended to read:

Subd. 4. **Grant procedure.** (a) A district must apply for a grant under this section in the form and manner specified by the commissioner. The commissioner must give priority to districts with the highest total number or percentage of students who are of color or American Indian. To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between districts in greater Minnesota and those in the Twin Cities metropolitan area.

(b) For the 2022-2023 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 are insufficient funds.

~~(c) For the 2021-2022 school year, the commissioner must set a timetable for awarding grants as soon as practicable.~~

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 122A.77, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner of education must administer a grant program to develop a pipeline of trained, licensed Tier 3 or Tier 4 special education teachers. A school district, charter school, Tribal contract school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant under this section. An applicant must partner with:

- (1) a Professional Educator Licensing and Standards Board-approved teacher preparation program;
- (2) a Council for the Accreditation of Educator Preparation-accredited teacher preparation program from a private, not-for-profit, institution of higher education; or
- (3) an institution that has an articulated transfer pathway with a board-approved teacher preparation program.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 122A.77, subdivision 2, is amended to read:

Subd. 2. **Grant uses.** (a) A grant recipient must use grant funds to support participants who are employed by the grant recipient ~~as either a paraprofessional or other unlicensed staff, or a teacher with a Tier 1 or Tier 2 license,~~ and demonstrate a willingness to be a special education teacher after completing the program.

(b) A grant recipient may use grant funds for:

- (1) tuition assistance or stipends for participants;
- (2) supports for participants, including mentoring, licensure test preparation, and technology support; or
- (3) participant recruitment.

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

Sec. 9. **[123B.155] PAID LEAVE FOR SCHOOL CLOSURES.**

A school district or charter school that alters its calendar due to a weather event, public health emergency, or any other circumstance must continue to pay the full wages for scheduled work hours and benefits of all school employees for full or partial day closures, if the district or charter school counts that day as an instructional day for any students in the district or charter school. School employees may be allowed to work from home to the extent practicable. Paid leave for an e-learning day is provided under section 120A.414, subdivision 6.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 3, is amended to read:

Subd. 3. **Student support personnel aid.** (a) The initial student support personnel aid for a school district equals the greater of the student support personnel allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. The initial student support personnel aid for a charter school equals the greater of the student support personnel allowance times the adjusted pupil units at the charter school for the current fiscal year or \$20,000. There is no penalty for fiscal year 2024. For fiscal year 2025 and later, aid under this paragraph must be reserved in a fund balance which may not exceed the prior year's aid allocation.

(b) The cooperative student support personnel aid for a school district that is a member of an intermediate school district or other cooperative unit that serves students equals the greater of the cooperative student support allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. If a district is a member of more than one cooperative unit that serves students, the revenue must be allocated among the cooperative units. A cooperative is not subject to an aid penalty for fiscal year 2024. For fiscal year 2025 and later, a cooperative must place its student personnel aid into a reserve account, the balance of which may not exceed the previous year's aid.

(c) The student support personnel allowance equals \$11.94 for fiscal year 2024, \$17.08 for fiscal year 2025, and \$48.73 for fiscal year 2026 and later.

(d) The cooperative student support allowance equals \$0.60 for fiscal year 2024, \$0.85 for fiscal year 2025, and \$2.44 for fiscal year 2026 and later.

~~(e) Notwithstanding paragraphs (a) and (b), the student support personnel aid must not exceed the district's, charter school's, or cooperative unit's actual expenditures.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 11. Laws 2023, chapter 55, article 5, section 64, subdivision 3, as amended by Laws 2024, chapter 81, section 14, is amended to read:

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$ \$88,706,000	.....	2024
\$ 88,562,000 <u>89,012,000</u>	.....	2025

(b) The 2024 appropriation includes \$8,824,000 for fiscal year 2023 and \$79,882,000 for fiscal year 2024.

(c) The 2025 appropriation includes \$8,875,000 for fiscal year 2024 and ~~\$79,687,000~~ \$80,137,000 for fiscal year 2025.

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

Sec. 12. Laws 2023, chapter 55, article 5, section 64, subdivision 5, is amended to read:

Subd. 5. **Closing educational opportunity gaps grants.** (a) To support schools in their efforts to close opportunity gaps under Minnesota Statutes, section 120B.113:

\$3,000,000	.....	2024
\$3,000,000	.....	2025

(b) The department may retain up to five percent of this appropriation to administer the grant program.

(c) The base for fiscal year 2026 and later is \$0.

(d) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 13. Laws 2023, chapter 55, article 5, section 64, subdivision 10, is amended to read:

Subd. 10. **Grow Your Own pathways to teacher licensure grants.** (a) For grants to develop, continue, or expand Grow Your Own new teacher programs under Minnesota Statutes, section 122A.73, to develop a teaching workforce that more closely reflects the state's increasingly diverse student population and ensure all students have equitable access to effective and diverse teachers:

\$25,000,000	.....	2024
\$25,000,000	.....	2025

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.73, subdivision 5. The commissioner may allow a grant recipient to modify its program to align with statutory changes to Minnesota Statutes, section 122A.73, made after the grant was awarded.

(c) The base for fiscal year 2026 and later is \$31,954,000.

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

Sec. 14. Laws 2023, chapter 55, article 5, section 64, subdivision 12, is amended to read:

Subd. 12. **Special education teacher pipeline.** (a) For grants to develop special education teacher pipelines across Minnesota under Minnesota Statutes, section ~~122A.73~~ 122A.77:

\$20,000,000	.....	2024
\$10,000,000	.....	2025

(b) This appropriation is subject to the requirements under Minnesota Statutes, section ~~122A.73~~ 122A.77, subdivision 5.

(c) The commissioner may allow a grant recipient to modify its program to align with statutory changes to Minnesota Statutes, section 122A.77, made after the grant was awarded.

~~(e)~~ (d) The base for fiscal year 2026 is \$0 and the base for fiscal year 2027 is \$10,000,000.

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

Sec. 15. Laws 2023, chapter 55, article 5, section 64, subdivision 13, is amended to read:

Subd. 13. **Statewide teacher mentoring program.** (a) For a statewide teacher induction and mentoring program:

\$9,940,000	.....	2024
\$0	.....	2025

(b) Funds may be used for:

(1) competitive grants to Minnesota regional partners, including institutions of higher education, regional service cooperatives, other district or charter collaboratives, and professional organizations, to provide mentoring supports for new teachers, on-the-ground training, technical assistance, and networks or communities of practice for local new teachers, districts, and charter schools to implement Minnesota's induction model;

(2) competitive grants to school districts to fund ~~Teacher of Record~~ mentorships to Tier 1 and Tier 2 special education teachers, including training and supervision; and

(3) contracts with national content experts and research collaboratives to assist in developing Minnesota's induction model, to provide ongoing training to mentors and principals, and to evaluate the program over time.

(c) Up to five percent of the appropriation is available for grant administration.

(d) This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 16. Laws 2023, chapter 55, article 5, section 64, subdivision 15, is amended to read:

Subd. 15. **Student support personnel workforce pipeline.** (a) For a grant program to develop a student support personnel workforce pipeline focused on increasing school psychologists, school nurses, school counselors, and school social workers of color and Indigenous providers, professional respecialization, recruitment, and retention:

\$5,000,000	.....	2024
\$5,000,000	.....	2025

(b) Of the amount in paragraph (a), \$150,000 is for providing support to school nurses across the state.

(c) To the extent practicable, the pipeline grants must be used to support equal numbers of students pursuing careers as school psychologists, school nurses, school counselors, and school social workers.

(d) For grants awarded under this subdivision to school psychologists, the following terms have the meanings given:

(1) "eligible designated trainee" means an individual enrolled in a NASP-approved or APA-accredited school psychology program granting educational specialist certificates or doctoral degrees in school psychology;

(2) "practica" means an educational experience administered and evaluated by the graduate training program, with university and site supervision by appropriately credentialed school psychologists, to develop trainees' competencies to provide school psychological services based on the graduate program's goals and competencies relative to accreditation and licensure requirements; and

(3) "eligible employment" means a paid position within a school or local education agency directly related to the training program providing direct or indirect school psychology services. Direct services include assessment, intervention, prevention, or consultation services to students or their family members and educational staff. Indirect services include supervision, research and evaluation, administration, program development, technical assistance, or professional learning to support direct services.

(e) Grants awarded to school psychologists must be used for:

(1) the provision of paid, supervised, and educationally meaningful practica in a public school setting for an eligible designated trainee enrolled in a qualifying program within the grantee's institution;

(2) to support student recruitment and retention to enroll and hire an eligible designated trainee for paid practica in public school settings; and

(3) oversight of trainee practica and professional development by the qualifying institution to ensure the qualifications and conduct by an eligible designated trainee meet requirements set forth by the state and accrediting agencies.

(f) Upon successful completion of the graduate training program, grants awarded to school psychologists must maintain eligible employment within Minnesota for a minimum period of one-year full-time equivalent for each academic year of paid traineeship under the grant program.

(g) Up to \$150,000 of the appropriation is available for grant administration.

(h) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 17. Laws 2023, chapter 55, article 5, section 64, subdivision 16, is amended to read:

Subd. 16. **Teacher residency program.** (a) For the teacher residency program that meets the requirements of Minnesota Rules, part 8705.2100, subpart 2, item D, subitem (5), unit (g):

\$3,000,000	.....	2024
\$3,000,000	.....	2025

(b) Up to three percent of the appropriation is available for grant administration.

(c) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

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

Sec. 18. Laws 2023, chapter 55, article 5, section 65, subdivision 3, is amended to read:

Subd. 3. **Collaborative urban and greater Minnesota educators of color grants.** (a) For collaborative urban and greater Minnesota educators of color competitive grants under Minnesota Statutes, section 122A.635:

\$5,440,000	.....	2024
\$5,440,000	.....	2025

(b) The board may retain up to \$100,000 of the appropriation amount to monitor and administer the grant program.

(c) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

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

Sec. 19. Laws 2023, chapter 55, article 5, section 65, subdivision 6, is amended to read:

Subd. 6. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

\$3,500,000	.....	2024
\$3,500,000	.....	2025

(b) Any balance in the first year does not cancel but is available in the ~~following fiscal~~ second year.

(c) The base for grants under Minnesota Statutes, section 122A.70, for fiscal year 2026 and later is \$4,500,000, of which at least \$3,500,000 each fiscal year is for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The board may retain up to three percent of the appropriation amount to monitor and administer the grant program.

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

Sec. 20. Laws 2023, chapter 55, article 5, section 65, subdivision 7, is amended to read:

Subd. 7. **Pathway preparation grants.** (a) For grants to support teachers holding a Tier 1 or Tier 2 license and seeking a Tier 3 or Tier 4 license:

\$400,000	.....	2024
\$400,000	.....	2025

(b) The following are eligible for grants under this subdivision:

(1) school districts;

(2) charter schools;

(3) service cooperatives; and

(4) partnerships between one or more teacher preparation providers, school districts, or charter schools.

(c) Grant funds must be used to support teachers holding a Tier 1 or Tier 2 license and seeking a Tier 3 or Tier 4 license through completion of a teacher preparation program or the licensure via portfolio process. A grant recipient must provide teachers holding a Tier 1 or Tier 2 license with professional development, mentorship, and coursework aligned to state standards for teacher licensure.

(d) The Professional Educator Licensing and Standards Board may collaborate with the Department of Education and the Office of Higher Education to administer the grant program.

(e) The board may retain up to three percent of the appropriation amount to monitor and administer the grant.

Sec. 21. **STUDENT TEACHING STIPEND PILOT PROGRAM.**

Subdivision 1. **Pilot program established.** A pilot program is established to support student teachers placed in Minnesota school districts or charter schools to complete clinical experiences necessary to obtain Minnesota teaching licenses, and help policymakers determine how to reduce the financial burden of completing valuable clinical experiences and strengthen the pipeline of qualified teachers. The pilot program is effective for the 2024-2025 school year.

Subd. 2. **Participating teacher preparation program providers.** (a) The pilot program consists of the following teacher preparation program providers:

(1) St. Cloud State University;

(2) Bemidji State University;

(3) Minnesota State University, Mankato;

(4) Winona State University;

(5) Fond du Lac Tribal and Community College;

(6) the University of Minnesota-Duluth; and

(7) the University of Minnesota-Crookston.

(b) A participating teacher preparation program provider must:

(1) determine the stipend amount based on the available funding and number of eligible student teachers;

(2) award each student teacher placed in a student teaching assignment a stipend of the same amount regardless of financial need or intended licensure area; and

(3) notify student teachers of their stipend amounts no later than 30 days before the student teacher is placed in a student teaching assignment.

Subd. 3. **Student teacher eligibility.** (a) A student teacher is eligible for a stipend through the pilot program if the student teacher:

(1) is enrolled in a teacher preparation program approved by the Professional Educator Licensing and Standards Board that requires at least 12 weeks of student teaching in order to be recommended for a Tier 3 teaching license;

(2) is placed in a Minnesota school district or charter school to complete required student teaching; and

(3) is meeting satisfactory academic progress as defined under Minnesota Statutes, section 136A.101, subdivision 10.

(b) A student teacher may receive a stipend under this section, and under Minnesota Statutes, section 136A.1274 or 136A.1275.

Subd. 4. Stipends not considered income for certain purposes. (a) Notwithstanding any law to the contrary, payments 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, and early learning scholarships under Minnesota Statutes, section 124D.165;

(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 of human services must not consider a stipend under this section as income or assets when determining medical assistance eligibility under Minnesota Statutes, section 256B.055, subdivisions 7, 7a, and 12; or section 256B.057, subdivisions 3, 3a, 3b, and 4. The commissioner of human services must not include the stipend received under this section when calculating an individual's premiums under Minnesota Statutes, section 256B.057, subdivision 9.

Subd. 5. Professional Educator Licensing and Standards Board. (a) The Professional Educator Licensing and Standards Board must develop and administer a survey to students who receive stipends through the pilot program, and interview a representative sample of student teachers who receive stipends. The surveys and interviews must seek information related to the impact of the stipend on the student teacher, whether the student teacher received any other stipends or compensation for student teaching, and other information relevant to development of a statewide paid student teaching program.

(b) The board must submit reports to the chairs and minority leaders of the legislative committees with jurisdiction over kindergarten through grade 12 education and higher education by February 1, 2025, and July 1, 2025, in accordance with Minnesota Statutes, section 3.195. Each report must identify the number of student teachers receiving stipends by teacher preparation program provider and the districts or charter schools where the student teachers were placed, and the amount each student teacher received under this section. The second report must also summarize the results of the surveys and interviews, and make recommendations for implementing a statewide paid student teacher program.

EFFECTIVE DATE. This section is effective July 1, 2024, except for subdivision 4, paragraph (b), which is effective July 1, 2024, or upon federal approval, whichever is later.

Sec. 22. PARAPROFESSIONAL QUALIFICATIONS EXAMINED.

(a) The Department of Education and the Professional Educator Licensing and Standards Board must collaboratively examine Minnesota's process for determining standards for paraprofessionals in consultation with at least the following:

(1) one representative each from at least two organizations representing paraprofessionals;

(2) one person representing the Minnesota Association of School Administrators; and

(3) one person representing the Minnesota Administrators for Special Education.

(b) By June 15, 2024, the agencies must announce their work plan to revise the paraprofessional qualifications under Minnesota Statutes, section 120B.363, and the qualifications used to determine eligibility for state special education aid calculations.

(c) The competency grid must be aligned with the minimum standards required under federal law. The grid matrix may be consolidated and the categories for each matrix cell may be simplified.

(d) After examining the pass rates for paraprofessionals grouped by linguistic and ethnic and racial strata, the state's cut scores for the paraprofessional assessments necessary for paraprofessional qualifications in Minnesota must be adjusted to ensure equitable pass rates for paraprofessionals from all racial, ethnic, and linguistic backgrounds.

(e) By September 1, 2024, the Professional Educator Licensing and Standards Board must post the revised competency grid to its website and the Department of Education must post the new paraprofessional assessment cut scores to its website and notify school districts, charter schools, and cooperative units of the revised competency grid and paraprofessional assessment cut scores.

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

Sec. 23. **APPROPRIATION; DEPARTMENT OF EDUCATION PROGRAMS.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education in the fiscal year designated.

Subd. 2. **Special education apprenticeship programs.** (a) For grants to intermediate school districts for special education registered apprenticeship programs:

<u>\$1,030,000</u>	<u>.....</u>	<u>2025</u>
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(b) The department must award grants of \$250,000 each to Intermediate School Districts Nos. 287, 288, 916, and 917. The grant funds must be used for special education registered apprenticeship programs. Grant funds may be used for:

(1) program oversight and administrative costs of the intermediate school district and its partner higher education institution;

(2) stipends and tuition, fees, and other direct program costs incurred by apprentices;

(3) stipends for teachers serving as mentors; and

(4) the cost of substitute teachers.

(c) Up to \$30,000 of the appropriation is available for grant administration.

(d) This appropriation does not cancel but is available until June 30, 2027.

(e) This is a onetime appropriation.

Sec. 24. **APPROPRIATION; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. Professional Educator Licensing and Standards Board. The sum indicated in this section is appropriated from the general fund to the Professional Educator Licensing and Standards Board in the fiscal year designated.

Subd. 2. Paid student teaching pilot program. (a) For the paid student teaching pilot program:

<u>\$7,000,000</u>	<u>.....</u>	<u>2025</u>
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(b) Of the amount in paragraph (a), \$4,751,000 is for transfer to the Board of Trustees of the Minnesota State Colleges and Universities. The Board of Trustees must allocate the funding among the following teacher preparation program providers in the amounts indicated:

(1) \$609,000 for St. Cloud State University;

(2) \$822,000 for Bemidji State University;

(3) \$1,789,000 for Minnesota State University, Mankato;

(4) \$1,523,000 for Winona State University; and

(5) \$8,000 for Fond du Lac Tribal and Community College.

(c) Of the amount in paragraph (a), \$2,109,000 is for transfer to the Board of Regents of the University of Minnesota to allocate to the following teacher preparation program providers in the amounts indicated:

(1) \$1,622,000 for the University of Minnesota-Duluth; and

(2) \$487,000 for the University of Minnesota-Crookston.

(d) The Professional Educator Licensing and Standards Board may retain up to two percent of the appropriation to administer the pilot program, including administering surveys and completing required reports.

(e) Any balance in fiscal year 2025 does not cancel but is available in fiscal year 2026.

(f) This is a onetime appropriation.

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

ARTICLE 6
CHARTER SCHOOLS

Section 1. Minnesota Statutes 2023 Supplement, section 124E.13, subdivision 1, is amended to read:

Subdivision 1. **Leased space.** A charter school may lease space from: an independent or special school board; other public organization; private, nonprofit, nonsectarian organization; private property owner; or a sectarian organization if the leased space is constructed as a school facility. In all cases, the eligible lessor must also be the building owner. The commissioner must review and approve or disapprove ~~leases~~ lease aid applications in a timely manner to determine eligibility for lease aid under section 124E.22.

Sec. 2. Minnesota Statutes 2022, section 124E.22, is amended to read:

124E.22 BUILDING LEASE AID.

(a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purpose and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid in the form and manner prescribed by the commissioner. The commissioner must review and either approve or deny a lease aid application using at least the following criteria:

(1) the reasonableness of the price based on current market values;

(2) the extent to which the lease conforms to applicable state laws and rules; and

(3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. The commissioner must approve aid only for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve the charter school of its lease obligations at the time the charter contract is terminated or not renewed. The closure clause under item (ii) must not be constructed or construed to relieve the charter school of its lease obligations in effect before the charter contract is terminated or not renewed.

(b) A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs.

(c) The amount of annual building lease aid for a charter school shall not exceed the lesser of (1) 90 percent of the approved cost or (2) the product of the charter school building lease aid pupil units served for the current school year times \$1,314.

(d) A charter school's building lease aid pupil units equals the sum of the charter school pupil units under section 126C.05 and the pupil units for the portion of the day that the charter school's enrolled students are participating in the Postsecondary Enrollment Options Act under section 124D.09 and not otherwise included in the pupil count under section 126C.05.

Sec. 3. Laws 2023, chapter 55, article 2, section 64, subdivision 6, as amended by Laws 2024, chapter 81, section 9, is amended to read:

Subd. 6. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

\$91,457,000	.....	2024
\$ 94,578,000 <u>94,906,000</u>	.....	2025

(b) The 2024 appropriation includes \$9,047,000 for 2023 and \$82,410,000 for 2024.

(c) The 2025 appropriation includes \$9,156,000 for 2024 and ~~\$85,422,000~~ \$85,750,000 for 2025.

ARTICLE 7
SPECIAL EDUCATION

Section 1. Minnesota Statutes 2022, section 124D.19, subdivision 8, is amended to read:

Subd. 8. **Program approval.** ~~To be eligible for revenue for the program for adults with disabilities, a program and budget must receive approval from the~~ (a) Beginning July 1, 2024, and at least once every five years thereafter, a district's community education section in the department advisory council must review and approve the district's adults with disabilities program and submit a statement of assurances to the commissioner in the form and manner determined by the commissioner. Approval may be for five years. During that time, a board must report any significant changes to the department for approval. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. A request for approval The program must seek feedback from adults with disabilities and other community organizations providing services to adults with disabilities.

(b) Each school district with an adults with disabilities program must include all of at least the following information about its adults with disabilities program in its annual community education report under subdivision 14:

- (1) a summary of the characteristics of the people to be served by the program;
- (2) a description of the program services and activities;
- (3) the most recent program budget and amount of aid requested;
- (4) a summary of the participation by adults with disabilities in developing the program;
- (5) an assessment of the needs of adults with disabilities; and
- (6) a description of cooperative efforts with community organizations.

EFFECTIVE DATE. This section is effective July 1, 2024, for plans developed on or after that date.

Sec. 2. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 26, is amended to read:

Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary in making a determination for eligibility for individualized education program and individualized family service plan services and for medical services identified in a recipient's individualized education program and individualized family service plan and covered under the medical assistance state plan. Covered services include occupational therapy, physical therapy, speech-language therapy, clinical psychological services, nursing services, school psychological services, school social work services, personal care assistants serving as management aides, assistive technology devices, transportation services, health assessments, and other services covered under the medical assistance state plan. Mental health services eligible for medical assistance reimbursement must be provided or coordinated through a children's mental health collaborative where a collaborative exists if the child is included in the collaborative operational target population. The provision or coordination of services does not require that the individualized education program be developed by the collaborative.

The services may be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity; physician's, advanced practice registered nurse's, or physician assistant's orders; documentation; personnel qualifications; and prior

authorization requirements. The nonfederal share of costs for services provided under this subdivision is the responsibility of the local school district as provided in section 125A.74. Services listed in a child's individualized education program are eligible for medical assistance reimbursement only if those services meet criteria for federal financial participation under the Medicaid program.

(b) Approval of health-related services for inclusion in the individualized education program does not require prior authorization for purposes of reimbursement under this chapter. The commissioner may require physician, advanced practice registered nurse, or physician assistant review and approval of the plan not more than once annually or upon any modification of the individualized education program that reflects a change in health-related services.

(c) Services of a speech-language pathologist provided under this section are covered notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

(1) holds a masters degree in speech-language pathology;

(2) is licensed by the Professional Educator Licensing and Standards Board as an educational speech-language pathologist; and

(3) either has a certificate of clinical competence from the American Speech and Hearing Association, has completed the equivalent educational requirements and work experience necessary for the certificate or has completed the academic program and is acquiring supervised work experience to qualify for the certificate.

(d) Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.

(e) The commissioner shall develop and implement package rates, bundled rates, or per diem rates for special education services under which separately covered services are grouped together and billed as a unit in order to reduce administrative complexity.

(f) The commissioner shall develop a cost-based payment structure for payment of these services. Only costs reported through the designated Minnesota Department of Education data systems in distinct service categories qualify for inclusion in the cost-based payment structure. The commissioner shall reimburse claims submitted based on an interim rate, and shall settle at a final rate once the department has determined it. The commissioner shall notify the school district of the final rate. The school district has 60 days to appeal the final rate. To appeal the final rate, the school district shall file a written appeal request to the commissioner within 60 days of the date the final rate determination was mailed. The appeal request shall specify (1) the disputed items and (2) the name and address of the person to contact regarding the appeal.

(g) Effective July 1, 2000, medical assistance services provided under an individualized education program or an individual family service plan by local school districts shall not count against medical assistance authorization thresholds for that child.

(h) Nursing services as defined in section 148.171, subdivision 15, and provided as an individualized education program health-related service, are eligible for medical assistance payment if they are otherwise a covered service under the medical assistance program. Medical assistance covers the administration of prescription medications by a licensed nurse who is employed by or under contract with a school district when the administration of medications is identified in the child's individualized education program. The simple administration of medications alone is not covered under medical assistance when administered by a provider other than a school district or when it is not identified in the child's individualized education program.

(i) ~~School social work~~ Services provided by a school social worker as described in paragraph (l) must be provided by a mental health professional as defined in section 245I.04, subdivision 2; a clinical trainee as defined in section 245I.04, subdivision 6, under the supervision of a mental health professional; or a mental health practitioner as defined in section 245I.04, subdivision 4, under the supervision of a mental health professional, ~~are to be eligible for medical assistance payment. A mental health practitioner performing school social work services under this section must provide services within the mental health practitioner's licensure scope of practice, if applicable, and within the mental health practitioner scope of practice under section 245I.04, subdivision 5 reimbursement. Services described in paragraph (l) must be provided within the provider's scope of practice as defined in section 245I.04, subdivisions 3, 5, and 7.~~

(j) Notwithstanding section 245I.10, subdivision 2, a special education evaluation, ~~and assessment for and within an individual family service plan or individualized education program, or individual family service plan~~ may be used to determine medical necessity ~~and eligibility for school social work services under paragraph (i) instead of a diagnostic assessment for services described under paragraph (l).~~ The special education evaluation and assessments for and within the individualized education program, or individual family service plan, that meet the requirements in section 245I.10, subdivisions 4, and 5 or 6, and that is completed by a licensed mental health professional or clinical trainee supervised by a licensed mental health professional can be used for determining medical necessity. In addition, for services that do not require a diagnosis using an assessment as defined in section 245I.10, subdivisions 4, and 5 or 6, the special education evaluation and assessments for and within the individualized education program, or individual family service plan, that provide an International Classification of Diseases diagnostic code and are completed by a licensed mental health professional or clinical trainee supervised by a licensed mental health professional can be used for determining medical necessity.

(k) A school social worker or school providing ~~mental health~~ services under paragraph ~~(i)~~ (l) is not required to be certified to provide children's therapeutic services and supports under section 256B.0943.

(l) Covered ~~mental health~~ services provided by a school social worker under this paragraph ~~(i)~~ include ~~but are not limited to:~~

~~(1) administering and reporting standardized measures;~~

~~(2) care coordination;~~

~~(3) children's mental health crisis assistance, planning, and response services;~~

(1) the explanation of finding as described in section 256B.0671, subdivision 4;

(2) psychotherapy for crisis as described in section 256B.0625;

~~(4)~~ (3) children's mental health clinical care consultation, as described in section 256B.0671, subdivision 7;

~~(5)~~ (4) dialectical behavioral therapy for adolescents, as described in section 256B.0671, subdivision 6;

~~(6) direction of mental health behavioral aides;~~

~~(7)~~ (5) family psychoeducation, as described in section 256B.0671, subdivision 5, which includes skill development, peer group sessions, and individual sessions. Notwithstanding section 256B.0671, subdivision 5, family psychoeducation services under this section may be delivered by a mental health practitioner as defined under section 245I.04, subdivision 4; and

~~(8) (6) individual, family, and group psychotherapy; as described in section 256B.0671, subdivision 5, which includes skills development, individual treatment plan and diagnostic condition or statutorily equivalent components.~~

~~(9) mental health behavioral aide services;~~

~~(10) skills training; and~~

~~(11) treatment plan development and review.~~

EFFECTIVE DATE. This section is effective July 1, 2024, or upon federal approval, whichever is later.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.0671, is amended by adding a subdivision to read:

Subd. 11a. **Psychotherapy for crisis.** (a) Medical assistance covers psychotherapy for crisis when a recipient is in need of an immediate response due to an increase of mental illness symptoms that put them at risk of one of the following:

(1) experiencing a life threatening mental health crisis;

(2) needing a higher level of care;

(3) worsening symptoms without mental health intervention;

(4) harm to self, others, or property damage; or

(5) significant disruption of functioning in at least one life area.

(b) "Psychotherapy for crisis" means a treatment of clients to reduce their mental health crisis through immediate assessment and psychotherapeutic interventions. Psychotherapy for crisis must include:

(1) emergency assessment of the crisis situation;

(2) mental status exam;

(3) psychotherapeutic interventions to reduce the crisis; and

(4) development of a post-crisis plan that addresses the recipient's coping skills and community resources.

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

Sec. 4. Laws 2023, chapter 55, article 7, section 18, subdivision 4, as amended by Laws 2024, chapter 81, section 18, is amended to read:

Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.75:

\$2,288,826,000	.....	2024
\$ 2,485,140,000 <u>2,486,181,000</u>	.....	2025

(b) The 2024 appropriation includes \$229,860,000 for 2023 and \$2,058,966,000 for 2024.

(c) The 2025 appropriation includes \$289,842,000 for 2024 and ~~\$2,195,298,000~~ \$2,196,339,000 for 2025.

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

Sec. 5. **SPECIAL EDUCATION FUNDING RECOMMENDATIONS.**

(a) The commissioner of education must contract with an external consultant to:

(1) review special education delivery and costs in Minnesota; and

(2) develop recommendations to increase paperwork efficiency while reducing costs.

(b) In developing the recommendations, the consultant must consult with school districts, charter schools, intermediate school districts, special education cooperatives, education districts, and service cooperatives; special education teachers, administrators, and unlicensed staff providing support to students with disabilities; families of students with disabilities; advocacy organizations that provide support to students with disabilities; and other stakeholders.

(c) The consultant must submit a report to the commissioner with the recommendations. The report must:

(1) review how school districts, charter schools, intermediate school districts, special education cooperatives, education districts, and service cooperatives deliver special education services, including complying with paperwork requirements, and the costs and benefits;

(2) compare relevant state and federal special education laws and regulations;

(3) analyze trends in special education enrollment;

(4) identify funding disparities that decrease inclusion;

(5) identify strategies or programs and universal interventions that are evidence-based and would be effective in reducing the need for special education services; and

(6) analyze funding for nonresident children in accordance with Minnesota Statutes, sections 125A.11 and 127A.47.

(d) The commissioner must submit the consultant's report to the legislative committees with jurisdiction over education policy and finance by January 5, 2025, and in accordance with Minnesota Statutes, section 3.195.

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

Sec. 6. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education in the fiscal year designated.

Subd. 2. **Special education funding report.** (a) To contract with an external consultant for a report on increasing special education paperwork efficiency while reducing costs:

\$440,000

.....

2025

(b) This is a onetime appropriation.

ARTICLE 8 SCHOOL FACILITIES

Section 1. Laws 2023, chapter 55, article 8, section 19, subdivision 5, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

\$1,000,000	.....	2024
\$1,000,000	.....	2025

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than \$75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to \$75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

(f) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 2. Laws 2023, chapter 55, article 8, section 19, subdivision 6, as amended by Laws 2024, chapter 81, section 22, is amended to read:

Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$107,905,000	.....	2024
\$ 107,630,000 107,865,000	.....	2025

(b) The 2024 appropriation includes \$10,821,000 for 2023 and \$97,084,000 for 2024.

(c) The 2025 appropriation includes \$10,787,000 for 2024 and ~~\$96,843,000~~ \$97,078,000 for 2025.

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

ARTICLE 9 SCHOOL NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2023 Supplement, section 124D.111, subdivision 3, is amended to read:

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

(i) For purposes of this subdivision, "lunchroom furniture" means tables and chairs regularly used by pupils in a lunchroom from which they may consume milk, meals, or snacks in connection with school or community service activities.

EFFECTIVE DATE. This section is effective for fiscal year 2024 and later.

Sec. 2. Minnesota Statutes 2022, section 127A.45, subdivision 12, is amended to read:

Subd. 12. **Payment percentage for certain aids.** One hundred percent of the aid for the current fiscal year must be paid for the following aids: reimbursement for enrollment options transportation, according to sections 124D.03, subdivision 8, and 124D.09, subdivision 22, and chapter 124E; ~~school lunch aid, according to section 124D.114;~~ and support services aid, for persons who are deaf, deafblind, and hard-of-hearing according to section 124D.57.

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

Sec. 3. Minnesota Statutes 2022, section 127A.45, subdivision 13, is amended to read:

Subd. 13. **Aid payment percentage.** Except as provided in subdivisions 11, 12, 12a, ~~and 14,~~ and 14a, each fiscal year, all education aids and credits in this chapter and chapters 120A, 120B, 121A, 122A, 123A, 123B, 124D, 124E, 125A, 125B, 126C, 134, and section 273.1392, shall be paid at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. For the purposes of this subdivision, a district's estimated entitlement for special education aid under section 125A.76 for fiscal year 2014 and later equals 97.4 percent of the district's entitlement for the current fiscal year. The final adjustment payment, according to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement.

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

Sec. 4. Minnesota Statutes 2022, section 127A.45, subdivision 14a, is amended to read:

Subd. 14a. **State nutrition programs.** Notwithstanding ~~subdivision~~ subdivisions 3 and 13, the state shall pay 100 percent of the aid for the current year according to sections 124D.111, 124D.1158, and 124D.118 based on submitted monthly vouchers showing meals and milk served.

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

Sec. 5. Laws 2023, chapter 18, section 4, subdivision 2, as amended by Laws 2023, chapter 55, article 9, section 16, and Laws 2024, chapter 81, section 23, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

\$218,801,000	.....	2024
\$ 238,987,000 <u>239,686,000</u>	.....	2025

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

Sec. 6. Laws 2023, chapter 18, section 4, subdivision 3, as amended by Laws 2023, chapter 55, article 9, section 17, and Laws 2024, chapter 81, section 24, is amended to read:

Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

\$44,178,000	.....	2024
\$ 48,334,000 <u>48,747,000</u>	.....	2025

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

ARTICLE 10 EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2023 Supplement, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (c), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (d).

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal ~~years 2023, year 2024, and 2025~~, and 12,360 participants for fiscal year ~~2026~~ 2025 and later.

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

Sec. 2. Laws 2023, chapter 54, section 20, subdivision 6, is amended to read:

Subd. 6. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

\$35,100,000	.....	2024
\$35,100,000	.....	2025

(b) Up to two percent of the appropriation in fiscal year 2025 is available for administration.

~~(b)~~ (c) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 3. Laws 2023, chapter 54, section 20, subdivision 24, is amended to read:

Subd. 24. **Early childhood curriculum grants.** (a) For competitive grants to Minnesota postsecondary institutions 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 childhood professionals:

\$250,000	.....	2024
\$250,000	.....	2025

(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 subdivision. 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; and
- (6) other information identified by the commissioner as outcome indicators.

(c) The commissioner may use no more than three percent of the appropriation under this subdivision to administer the grant program.

(d) This is a onetime appropriation.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 4. **REPEALER.**

Laws 2023, chapter 55, article 10, section 4, is repealed.

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

ARTICLE 11
STATE AGENCIES

Section 1. **APPROPRIATION; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sum indicated in this section is appropriated from the general fund to the Professional Educator Licensing and Standards Board in the fiscal year designated.

Subd. 2. **Information technology costs.** (a) For information technology costs of the Professional Educator Licensing and Standards Board:

<u>\$2,767,000</u>	<u>.....</u>	<u>2025</u>
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(b) This is a onetime appropriation and is available until June 30, 2027."

Delete the title and insert:

"A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, the Read Act, American Indian education, teachers, charter schools, special education, school facilities, school nutrition and libraries, early childhood education, and state agencies; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124D.093, subdivisions 3, 4, 5; 124D.19, subdivision 8; 124D.957, subdivision 1; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.45, subdivisions 12, 13, 14a; 127A.51; Minnesota Statutes 2023 Supplement, sections 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 2, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 2, by adding a subdivision; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.151, subdivision 6; 124D.42, subdivision 8; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.98, subdivision 5; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13, 18a; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 8; article 2, section 64, subdivisions 2, as amended, 6, as amended, 14, 16, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 10, 12, 13, 15, 16; 65, subdivisions 3, 6, 7; article 7, section 18, subdivision 4, as amended; article 8, section 19, subdivisions 5, 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; repealing Laws 2023, chapter 55, article 10, section 4."

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 3689, 4010 and 4444 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Koznick introduced:

H. F. No. 5391, A bill for an act relating to economic development; appropriating money for a grant to Southern Valley Alliance.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Acomb introduced:

H. F. No. 5392, A bill for an act relating to public policy; modifying electronic monitoring requirements; establishing private enforcement of certain rights; modifying the hospice bill of rights; expanding membership of the licensed home care provider advisory council; modifying enforcement of assisted living facility licensing; modifying medication management in assisted living facilities; modifying powers of health care agents; modifying guardianship provisions; amending Minnesota Statutes 2022, sections 144.6502, subdivision 3; 144.6512, by adding a subdivision; 144.652, by adding a subdivision; 144A.13, by adding a subdivision; 144A.4799, subdivision 1; 144A.751, subdivision 1; 144G.08, by adding a subdivision; 144G.30, subdivisions 4, 5; 144G.71, subdivisions 2, 3, 5; 144G.92, by adding a subdivision; 145C.07, subdivision 5, by adding a subdivision; 524.5-120; 524.5-311; 573.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144G.

The bill was read for the first time and referred to the Committee on Human Services Policy.

Joy, Burkel, Dotseth, Murphy, Backer, Wiener and Davis introduced:

H. F. No. 5393, A bill for an act relating to game and fish; reducing angling and deer hunting license fees for those 70 and older; amending Minnesota Statutes 2022, sections 97A.475, subdivisions 2, 6; 97B.715, subdivision 1; 97B.801.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Finke introduced:

H. F. No. 5394, A bill for an act relating to housing; creating a right to house youth for residential tenants; proposing coding for new law in Minnesota Statutes, chapter 504B.

The bill was read for the first time and referred to the Committee on Housing Finance and Policy.

Sencer-Mura introduced:

H. F. No. 5395, A bill for an act relating to capital investment; appropriating money for a grant to the Minneapolis Black Cultural Center.

The bill was read for the first time and referred to the Committee on Capital Investment.

Frazier introduced:

H. F. No. 5396, A bill for an act relating to public safety; increasing criminal liability for certain crimes resulting in felony murder; modifying criminal liability for conviction of aiding and abetting felony murder; reviving Task Force on Aiding and Abetting Felony Murder; amending Minnesota Statutes 2022, section 609.19, subdivisions 1, 2, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 609.05, subdivision 2a.

The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy.

Brand introduced:

H. F. No. 5397, A bill for an act relating to capital investment; appropriating money for water treatment plant improvements in the city of Lafayette; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Demuth, Torkelson, Novotny, Perryman, Harder, Backer, Wiener and Murphy introduced:

H. F. No. 5398, A bill for an act relating to state government; prohibiting former legislators from lobbying the legislature for a period of two years after leaving legislative office; proposing coding for new law in Minnesota Statutes, chapter 10A.

The bill was read for the first time and referred to the Committee on Elections Finance and Policy.

Backer, Torkelson, Wiens, Heintzeman, Perryman, Murphy, Altendorf, Zeleznikar, Knudsen, Franson, Johnson, Schomacker, Dotseth, Kresha, Skraba, Mueller, Quam, Kiel and Anderson, P. H., introduced:

H. F. No. 5399, A bill for an act relating to health; providing onetime aid to certain licensed ambulance services; requiring reports; appropriating money.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Schomacker introduced:

H. F. No. 5400, A bill for an act relating to higher education; requiring public postsecondary institutions to maintain a supply of opiate antagonists on system campuses; amending Minnesota Statutes 2023 Supplement, section 151.37, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 135A.

The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy.

Davids introduced:

H. F. No. 5401, A bill for an act relating to taxation; sales and use; providing an exemption for certain nonprofit outpatient rehabilitation clinics; amending Minnesota Statutes 2023 Supplement, section 297A.70, subdivision 7.

The bill was read for the first time and referred to the Committee on Taxes.

Murphy introduced:

H. F. No. 5402, A bill for an act relating to capital investment; appropriating money for improvements to water and sewer infrastructure and street construction in the city of Kensington; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Hansen, R., introduced:

H. F. No. 5403, A bill for an act relating to capital investment; appropriating money for suicide prevention barriers on the Washington Avenue Pedestrian Bridge; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Torkelson, Demuth, O'Driscoll, Dotseth, Fogelman, Heintzeman and Perryman introduced:

H. F. No. 5404, A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, article IV, section 3; by adding an article XV; establishing a Bipartisan Redistricting Commission; establishing principles to be used in adopting legislative and congressional districts; amending Minnesota Statutes 2022, section 10A.01, subdivision 35; proposing coding for new law in Minnesota Statutes, chapter 2.

The bill was read for the first time and referred to the Committee on Elections Finance and Policy.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3071, A bill for an act relating to transportation; driver and vehicle services; requiring incorporation of plain language standards for written driver's examinations and the driver's manual; requiring a report; appropriating money; amending Minnesota Statutes 2022, section 171.13, by adding a subdivision.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tabke moved that the House concur in the Senate amendments to H. F. No. 3071 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3071, A bill for an act relating to transportation; driver and vehicle services; requiring incorporation of plain language standards for written driver's examinations and the driver's manual; requiring a report; appropriating money; amending Minnesota Statutes 2022, section 171.13, by adding a subdivision.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 107 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Acomb	Daniels	Heintzeman	Koegel	Niska	Sencer-Mura
Agbaje	Dauids	Hemmingsen-Jaeger	Kotzya-Witthuhn	Noor	Skraba
Anderson, P. E.	Demuth	Her	Kozlowski	Norris	Smith
Anderson, P. H.	Edelson	Hicks	Kraft	O'Driscoll	Stephenson
Bahner	Elkins	Hill	Lee, F.	Olson, B.	Swedzinski
Bakeberg	Engen	Hollins	Lee, K.	Olson, L.	Tabke
Baker	Feist	Hornstein	Liebling	Pelowski	Torkelson
Becker-Finn	Finke	Howard	Lillie	Pérez-Vega	Vang
Bennett	Fischer	Hudella	Lislegard	Perryman	Virmig
Berg	Frazier	Hudson	Long	Petersburg	West
Bierman	Frederick	Huot	McDonald	Pinto	Wiens
Brand	Freiberg	Hussein	Moller	Pryor	Witte
Burkel	Garofalo	Igo	Mueller	Pursell	Wolgamott
Carroll	Gomez	Johnson	Myers	Rarick	Xiong
Cha	Greenman	Jordan	Nadeau	Rehm	Youakim
Clardy	Hansen, R.	Keeler	Nash	Reyer	Zelevnikar
Coulter	Hanson, J.	Kiel	Nelson, M.	Robbins	Spk. Hortman
Curran	Hassan	Klevorn	Nelson, N.	Schomacker	

Those who voted in the negative were:

Altendorf	Dotseth	Grossell	Knudsen	Mekeland	Quam
Backer	Fogelman	Harder	Koznick	Murphy	Schultz
Bliss	Franson	Jacob	Kresha	Novotny	Scott
Davis	Gillman	Joy	Lawrence	Pfarr	Wiener

The bill was repassed, as amended by the Senate, and its title agreed to.

REPORT 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 Thursday, April 18, 2024, and established a prefiling requirement for amendments offered to the following bills:

H. F. No. 4757; and S. F. No. 3492.

The Speaker called Her to the Chair.

CALENDAR FOR THE DAY

H. F. No. 4757 was reported to the House.

Scott moved to amend H. F. No. 4757, the second engrossment, as follows:

Page 106, line 22, after the period, insert "The office must establish written procedures to ensure that only individuals authorized by law may enter, update, or access data classified as nonpublic or private data on individuals. An authorized individual's ability to enter, update, or access not public data must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail."

The motion prevailed and the amendment was adopted.

Scott moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 39, after line 27, insert:

"Sec. 48. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The duties of the advisory council shall include:

- (1) reviewing national cannabis policy;
- (2) examining the effectiveness of state cannabis policy;
- (3) reviewing developments in the cannabis industry and hemp consumer industry;
- (4) reviewing developments in the study of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products;
- (5) taking public testimony; ~~and~~
- (6) studying the impact of legalized adult-use cannabis on the rate of cannabis use by minors; and
- ~~(6)~~ (7) making recommendations to the Office of Cannabis Management.

(b) At its discretion, the advisory council may examine other related issues consistent with this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

West moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 56, line 30, delete everything after the period

Page 56, delete lines 31 and 32

The motion prevailed and the amendment was adopted.

West moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 51, line 31, delete the colon and insert "amends an application or provides additional information at the request of the office. The office must not charge an additional application fee before granting license preapproval to an applicant whose application was retained by the office or entering an application retained by the office in a lottery."

Page 51, delete line 32

Page 52, delete line 1

Page 61, after line 24, insert:

"(h) If the office holds a lottery as provided in paragraph (b), an applicant that meets the minimum qualifications in subdivision 3 and is not selected in the lottery may request that the office retain the application for subsequent application periods. If a qualified applicant requests that the office retain an application, the office must retain the application for one year after the date of the request. The office may request additional information from any applicant whose application is retained if the office determines that the information is necessary to determine if the applicant meets the requirements for a subsequent application period. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application. If the office announces an application period, any application retained by the office may be granted a license or be entered in a lottery if the applicant amends an application or provides additional information at the request of the office. The office must not charge an additional application fee before granting a license to an applicant whose application was retained by the office or entering an application retained by the office in a lottery. The office may disqualify an application from retention if:

(1) the applicant has violated an ownership or operational requirement in this chapter or rules adopted pursuant to this chapter that would justify revocation or nonrenewal of a license;

(2) the applicant is disqualified from holding a license pursuant to section 342.15; or

(3) the applicant is determined to be in arrears on property, business, or personal taxes."

The motion prevailed and the amendment was adopted.

West moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 47, after line 24, insert:

"(d) By November 15, 2024, the office must announce the commencement of an initial application period for license preapproval. By December 31, 2024, the office must issue license preapprovals to eligible applicants who submit an application in the initial application period. The office must prioritize license categories that authorize the cultivation of cannabis plants. At a minimum, the office must make the following number of licenses available for preapproval in the initial application period:

(1) cannabis microbusiness licenses, 100;

(2) cannabis mezzobusiness licenses, 25;

(3) cannabis cultivator licenses, 26; and

(4) cannabis testing facility licenses, 50."

Page 50, line 6, after "(d)" insert "Except as provided in paragraph (e)."

Page 50, after line 18, insert:

"(e) A person with a license preapproval for a cannabis microbusiness license, cannabis mezzobusiness license, or cannabis cultivator license may grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office. The office may establish temporary guidelines to regulate the cultivation of cannabis plants under this paragraph. Temporary guidelines may include requirements related to documentation, cultivation practices, testing requirements, and other related requirements. The office may require a person cultivating cannabis plants under this paragraph to comply with any relevant portions of Minnesota Rules, parts 4770.0100 to 4770.4030. The office may establish temporary guidelines through agency policy. Temporary guidelines expire in July 1, 2026, or when the office adopts initial rules pursuant to section 342.02, subdivision 5, whichever is earlier."

West moved to amend the West amendment to H. F. No. 4757, the second engrossment, as amended, as follows:

Page 1, line 3, delete "November" and insert "August"

Page 1, line 4, delete "December 31" and insert "October 1"

The motion prevailed and the amendment to the amendment was adopted.

Stephenson moved to amend the West amendment, as amended, to H. F. No. 4757, the second engrossment, as amended, as follows:

Page 1, delete lines 13 to 24

Page 2, delete lines 1 to 4

A roll call was requested and properly seconded.

The question was taken on the Stephenson amendment to the West amendment, as amended, and the roll was called. There were 68 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virning
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pinto	Youakim
Carroll	Freiberg	Howard	Liebling	Pryor	Spk. Hortman
Cha	Gomez	Huot	Lillie	Pursell	
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Daniels	Hudella	McDonald	Olson, B.	Skraba
Anderson, P. E.	Dauids	Igo	Mekeland	Perryman	Swedzinski
Anderson, P. H.	Demuth	Jacob	Mueller	Petersburg	Torkelson
Backer	Dotseth	Johnson	Murphy	Pfarr	West
Bakeberg	Fogelman	Joy	Myers	Quam	Wiener
Baker	Garofalo	Kiel	Nadeau	Robbins	Wiens
Bennett	Gillman	Knudsen	Nelson, N.	Schomacker	Witte
Bliss	Harder	Koznick	Novotny	Schultz	Wolgamott
Burkel	Heintzeman	Kresha	O'Driscoll	Scott	Zelevnikar

The motion prevailed and the amendment to the amendment, as amended, was adopted.

The question recurred on the West amendment, as amended, to H. F. No. 4757, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Koznick moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 47, line 26, after "342.17" insert "or a municipal or county cannabis store authorized under section 342.32, subdivision 5."

Page 49, line 7, after the period, insert "If any qualified applicant is a city or county seeking to establish, own, or operate a municipal cannabis store authorized under section 342.32, subdivision 5, the office must issue a license preapproval to that applicant before awarding any other licenses or conducting a lottery under this subdivision. Notwithstanding subdivision 1, paragraph (b), a license issued to a city or county must not be counted against the maximum number of licenses made available in an application period."

Page 61, line 1, after "(b)" insert "If any applicant that meets the minimum qualifications in subdivision 3 is a city or county seeking to establish, own, or operate a municipal cannabis store authorized under section 342.32, subdivision 5, the office must issue a license to that applicant before issuing any other licenses under this section or holding a lottery to randomly select license recipients. Notwithstanding paragraph (f), a license issued to a city or county must not be counted against the maximum number of licenses made available in an application period."

Stephenson moved to amend the Koznick amendment to H. F. No. 4757, the second engrossment, as amended, as follows:

Page 1, delete lines 2 to 9

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Koznick amendment, as amended, to H. F. No. 4757, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

West moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 58, line 30, delete "65" and insert "51"

The motion did not prevail and the amendment was not adopted.

West moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 46, line 8, delete everything after "are" and insert "issued to a person who is not a social equity applicant"

Page 46, line 9, delete the new language

Page 46, line 13, delete everything after "issued" and insert "to a social equity applicant"

Page 46, line 14, delete everything before "may"

Page 47, line 10, delete everything before the period

Page 47, line 14, delete "13" and insert "26"

Page 47, delete lines 25 to 28 and insert:

"Subd. 2. **Eligibility.** The office must not issue a license preapproval if the applicant would be prohibited from holding the license under section 342.18, subdivision 2."

Page 48, line 17, delete the third "the" and insert "that an applicant applying as a social equity applicant is"

Page 48, line 18, delete "applicant's status as"

Page 48, delete line 23

Renumber the clauses in sequence

Page 49, line 11, after the period, insert "An applicant who qualifies as a social equity applicant under section 342.17 must be given two entries in a lottery held under this paragraph."

Page 58, line 9, after the semicolon, insert "or"

Page 58, line 13, strike the semicolon and insert a period

Page 58, strike lines 14 to 17

Page 58, line 18, strike "(6) is an emerging farmer as defined in section" and delete the new language

Page 58, line 19, delete the new language and strike "; or"

Page 58, strike lines 20 to 27

Page 59, delete section 60

Page 61, line 3, after the period, insert "An applicant who qualifies as a social equity applicant under section 342.17 must be given two entries in a lottery held under this paragraph."

Page 61, line 12, delete "paragraphs" and insert "paragraph" and delete "and (g)"

Page 61, line 13, delete "For licenses that are available to social equity applicants."

Page 61, line 15, delete "25" and insert "50"

Page 61, line 16, delete "12" and insert "24"

Page 61, line 17, delete "100" and insert "200"

Page 61, line 18, delete "50" and insert "100"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

West moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 46, line 8, after "(a)" insert "Except as otherwise provided in this section." and delete everything after "chapter"

Page 46, line 9, delete the new language

Page 46, line 13, delete "as" and insert "to applicants who qualify as" and delete "licenses" and insert "applicants" and delete "either" and delete "342.18, subdivision" and insert "342.17"

Page 46, line 14, delete everything before "may"

Page 46, line 17, delete "as" and insert "to" and delete the second "license" and insert "applicant"

Page 46, delete line 19

Reletter the paragraphs in sequence

Page 47, delete section 54

Page 56, after line 12, insert:

"(g) Nothing in this subdivision prohibits the office from requiring or permitting a preliminary application consisting of any portion of the information required under this section. The office may grant provisional approval of a preliminary application in a manner prescribed by the office subject to the requirement that an applicant submit a completed application. Provisional approval of a preliminary application is not a license and an applicant may not engage in any actions that require a license issued under this chapter."

Page 56, delete lines 28 to 32 and insert:

"Subd. 3. **License revocation.** (a) The office may revoke the provisional approval of a license or a cannabis business license if the person has not:

(1) received final approval to engage in actions authorized by the cannabis business license for which the person applied within 18 months of the date that the office granted provisional approval; or

(2) begun to engage in actions authorized by the cannabis business license for which the person applied within 18 months of the date that the license was issued or the office granted final approval to engage in those actions.

(b) The office may give a person a onetime extension if the person has made good faith efforts to engage in actions authorized by the cannabis business license for which the person applied or to obtain final approval to engage in those actions."

Page 59, delete section 60

Page 59, delete section 62 and insert:

"Sec. 62. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 3, is amended to read:

Subd. 3. **Application score; license priority.** (a) The office shall award points to each completed application for a license to operate a cannabis business and each preliminary application for provisional approval in the following categories:

(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);

(2) status as a veteran or retired national guard applicant who does not meet the definition of social equity applicant;

(3) security and record keeping;

(4) employee training plan;

(5) business plan and financial situation;

- (6) labor and employment practices;
- (7) knowledge and experience; and
- (8) environmental plan.

(b) The office may award additional points to an application if the license holder would expand service to an underrepresented market, including but not limited to participation in the medical cannabis program.

(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant, including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.

(d) The office shall establish policies and guidelines, which the office must be made make available to the public, regarding the number of points available in each category and the basis for awarding those points. Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants.

(e) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities."

Page 60, delete section 63 and insert:

"Sec. 63. Minnesota Statutes 2023 Supplement, section 342.18, is amended by adding a subdivision to read:

Subd. 4. Provisional license approval. (a) By October 1, 2024, the office must establish a preliminary application process to grant provisional approval to applicants for cannabis business licenses. The office must establish policies and guidelines for the preliminary application process and must make those policies and guidelines available to the public. The policies and guidelines must:

(1) specify what portions of section 342.14, subdivision 1, must be included in a preliminary application for provisional approval;

(2) require submission of information on the subjects described in subdivision 3, clauses (1) to (8);

(3) require payment of the applicable application fee; and

(4) identify the minimum qualifications in each category that an applicant must meet to qualify for provisional approval.

(b) Provisional approval of a preliminary application is not a license and an applicant may not engage in any actions that require a license issued under this chapter.

(c) By October 15, 2024, the office must begin an initial preliminary application period for applicants who qualify as social equity applicants under section 342.17. The initial application period must close 30 days after the date on which it begins. Subject to the maximum number of provisional approvals authorized by this paragraph, the

office must issue provisional approval to applicants who meet the minimum qualifications specified in the policies and guidelines. If the number of applicants who meet the minimum qualifications for provisional approval exceeds the number of provisional approvals authorized under this section, the office shall utilize a lottery to randomly select license recipients from among those applicants. The office must grant provisional approval under this paragraph by December 1, 2024. The maximum number of provisional approvals the office may issue under this paragraph is:

(1) for cannabis microbusiness licenses, 100;

(2) for cannabis mezzobusiness licenses, 25;

(3) for cannabis cultivator licenses, 13;

(4) for cannabis manufacturer licenses, six;

(5) for cannabis retailer licenses, 50;

(6) for cannabis wholesaler licenses, 20;

(7) for cannabis transporter licenses, 20;

(8) for cannabis testing facility licenses, 50; and

(9) for cannabis delivery service licenses, ten.

(d) Beginning 30 days after the office issues provisional approvals under paragraph (c), the office may announce additional preliminary application periods to grant provisional approval to applicants for cannabis business licenses.

(e) Before granting final approval to engage in actions authorized by the cannabis business license for which the person applied, the office must require that a person who received provisional approval:

(1) submit a completed application containing all the information required under section 342.14;

(2) pay any applicable license fee; and

(3) provide proof, in a form and manner approved by the office, that the proposed business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code."

Page 64, line 30, delete "or license preapproval" and after "office" insert "or provisional approval for a license issued pursuant to section 342.18, subdivision 4"

Page 107, line 8, delete "342.18."

Page 107, line 9, delete "subdivision 1;"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Swedzinski moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 9, line 18, strike "or"

Page 9, line 21, strike the period and insert ";or"

Page 9, after line 21, insert:

"(8) contain any added artificial, synthetic, or natural flavoring, either in the product itself or in its components or parts, or impart a taste or smell, other than the taste or smell of cannabis, that is distinguishable by an ordinary consumer prior to or during the consumption of the product."

Page 40, line 29, strike the second "or"

Page 40, line 32, strike the period and insert ";or"

Page 40, after line 32, insert:

"(8) if the product is an edible cannabis product or lower-potency hemp edible, contains any added artificial, synthetic, or natural flavoring, either in the product itself or in its components or parts, or imparts a taste or smell, other than the taste or smell of cannabis, that is distinguishable by an ordinary consumer prior to or during the consumption of the product."

The motion did not prevail and the amendment was not adopted.

Scott moved to amend H. F. No. 4757, the second engrossment, as amended, as follows:

Page 13, after line 9, insert:

"Sec. 11. Minnesota Statutes 2023 Supplement, section 152.0264, subdivision 5, is amended to read:

Subd. 5. **Sale of cannabis by a minor.** (a) A minor is guilty of a ~~petty~~ misdemeanor if the minor unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A minor is guilty of a gross misdemeanor if the minor unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Scott amendment and the roll was called. There were 64 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Lislegard	O'Driscoll	Skraba
Anderson, P. E.	Demuth	Hudson	McDonald	Olson, B.	Swedzinski
Anderson, P. H.	Dotseth	Igo	Mekeland	Perryman	Torkelson
Backer	Engen	Jacob	Mueller	Petersburg	West
Bakeberg	Fogelman	Johnson	Murphy	Pfarr	Wiener
Baker	Franson	Joy	Myers	Quam	Wiens
Bennett	Garofalo	Kiel	Nadeau	Rarick	Witte
Bliss	Gillman	Knudsen	Nash	Robbins	Wolgamott
Burkel	Grossell	Koznick	Nelson, N.	Schomacker	Zelevnikar
Daniels	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Norris	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Olson, L.	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Pelowski	Vimig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Xiong
Bierman	Frazier	Hollins	Lee, F.	Pinto	Youakim
Brand	Frederick	Hornstein	Lee, K.	Pryor	Spk. Hortman
Carroll	Freiberg	Howard	Liebling	Pursell	
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Long	Reyer	
Coulter	Hansen, R.	Jordan	Moller	Sencer-Mura	
Curran	Hanson, J.	Keeler	Nelson, M.	Smith	

The motion did not prevail and the amendment was not adopted.

H. F. No. 4757, A bill for an act relating to cannabis; transferring enforcement of edible cannabinoid products to the Office of Cannabis Management; clarifying workplace testing for cannabis; making technical changes related to the taxation of cannabis and related products; replacing medical cannabis licenses with endorsements; establishing a petition process to designate cannabinoids as nonintoxicating or approved for use in lower-potency hemp edibles; authorizing lower-potency hemp edibles to contain certain artificially derived cannabinoids created in making

delta-9 tetrahydrocannabinol; allowing testing of certain hemp products to be performed by labs meeting accreditation standards regardless of licensing status; authorizing patients enrolled in the registry program to obtain cannabis flower from registered designated caregivers; authorizing registered designated caregivers to cultivate cannabis plants on behalf of patients enrolled in the registry program; authorizing the Office of Cannabis Management to recall certain cannabis and related products; transferring the duties of the medical cannabis program to the Office of Cannabis Management on July 1, 2025; authorizing the appointment of deputy directors; clarifying the process for transfer of certain licenses; providing for license preapproval; removing the requirement that local governments perform certain inspections; removing the requirement that license applications be scored based on identified criteria and requiring that license applications be assessed based on certain minimum criteria; requiring employees of cannabis businesses to meet certain background check requirements; establishing social equity licenses; limiting the number of certain licenses that can be made available in an application period; providing for the conversion of a registration to sell certain hemp-derived products into a hemp business license; providing for a cannabis research license classification; authorizing the Office of Cannabis Management to adjust limits on cultivation area; permitting certain businesses to transport cannabis and related products between facilities operated by the business; replacing the prohibition on certain sales of lower-potency hemp products with a prohibition on selling to an obviously intoxicated person; providing for enforcement of unlicensed businesses engaging in activities that require a license; making technical and conforming changes; amending Minnesota Statutes 2022, sections 17.133, subdivision 1; 152.22, subdivisions 11, 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.28, subdivision 2; 152.29, subdivision 3; 181.950, subdivision 10; 181.952, as amended; Minnesota Statutes 2023 Supplement, sections 3.9224, subdivision 1; 151.72, subdivisions 1, 2, 3, 4, 5a, 5b, 6, 7; 152.28, subdivision 1; 152.30; 181.951, subdivisions 4, 5, 8; 181.954, subdivision 1; 342.01, subdivisions 14, 17, 19, 48, 50, 52, 54, 63, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 3, 6; 342.03, subdivision 1; 4; 342.06; 342.07, subdivision 3; 342.09, subdivision 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, by adding a subdivision; 342.17; 342.18, subdivisions 2, 3, by adding subdivisions; 342.19, by adding a subdivision; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding subdivisions; 342.29, subdivision 4, by adding a subdivision; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivision 3; 342.46, subdivision 8; 342.51; 342.515, subdivision 1, by adding a subdivision; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 4; 342.60; 342.61, subdivisions 1, 4, 5; 342.62, by adding a subdivision; 342.63, subdivisions 2, 3, 6; 342.64, subdivision 1; 342.73, subdivision 4; 342.80; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, sections 10; 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 152.22, subdivision 3; 152.36; Minnesota Statutes 2023 Supplement, sections 342.01, subdivision 28; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; Laws 2023, chapter 63, article 7, sections 4; 6.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Acomb	Cha	Fischer	Hassan	Huot	Kraft
Agbaje	Clardy	Frazier	Hemmingsen-Jaeger	Hussein	Lee, F.
Bahner	Coulter	Frederick	Her	Jordan	Lee, K.
Becker-Finn	Curran	Freiberg	Hicks	Keeler	Liebling
Berg	Edelson	Gomez	Hill	Klevorn	Lillie
Bierman	Elkins	Greenman	Hollins	Koegel	Lislegard
Brand	Feist	Hansen, R.	Hornstein	Kotzya-Witthuhn	Long
Carroll	Finke	Hanson, J.	Howard	Kozlowski	Moller

Nelson, M.	Pérez-Vega	Rehm	Stephenson	West	Spk. Hortman
Noor	Pinto	Reyer	Tabke	Wolgamott	
Norris	Pryor	Sencer-Mura	Vang	Xiong	
Olson, L.	Pursell	Smith	Virnig	Youakim	

Those who voted in the negative were:

Altendorf	Davis	Hudella	McDonald	Olson, B.	Skraba
Anderson, P. E.	Demuth	Hudson	Mekeland	Pelowski	Swedzinski
Anderson, P. H.	Dotseth	Igo	Mueller	Perryman	Torkelson
Backer	Engen	Jacob	Murphy	Petersburg	Wiener
Bakeberg	Fogelman	Johnson	Myers	Pfarr	Wiens
Baker	Franson	Joy	Nadeau	Quam	Witte
Bennett	Garofalo	Kiel	Nash	Rarick	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Robbins	
Burkel	Grossell	Koznick	Niska	Schomacker	
Daniels	Harder	Kresha	Novotny	Schultz	
Davids	Heintzeman	Lawrence	O'Driscoll	Scott	

The bill was passed, as amended, and its title agreed to.

S. F. No. 3492 was reported to the House.

Agbaje moved to amend S. F. No. 3492, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 3591, the second engrossment:

"ARTICLE 1 TENANTS' RIGHTS

Section 1. Minnesota Statutes 2023 Supplement, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** (a) ~~Except for clause (6),~~ The court shall, without motion by any party except for clauses (6) and (7), order expungement of an eviction case:

(1) commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(i) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(ii) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b, or 1c, to vacate on a date prior to commencement of the eviction case;

(2) if the defendant prevailed on the merits;

(3) if the court dismissed the plaintiff's complaint is dismissed for any reason;

(4) if the parties to the action have agreed to an expungement;

(5) three years after the eviction was ordered; ~~or~~

(6) upon motion of a defendant, if an eviction action has been filed in violation of section 504B.206, subdivision 3a; or

(7) upon motion of a defendant, if the case is settled and the defendant fulfills the terms of the settlement.

(b) If a tenant brings a motion for the expungement of an eviction, the court shall order the expungement of an eviction case that was commenced on the grounds of a violation of section 504B.171 or any other claim of breach regardless of when the original eviction was ordered, if the tenant could receive an automatic expungement under section 609A.055, or if the breach was based solely on the possession of marijuana or tetrahydrocannabinols.

Sec. 2. Minnesota Statutes 2023 Supplement, section 504B.144, is amended to read:

504B.144 EARLY RENEWAL OF LEASE.

A landlord ~~must wait until six months from the expiration of the current lease before requiring a tenant to renew the lease~~ may not require a tenant to renew a lease sooner than six months prior to the expiration of the current lease, if the lease is for a period of time longer than ten months. Nothing prevents a landlord from waiting until closer to the expiration of a lease to ask a tenant to renew the lease. Any provision, whether oral or written, of any lease or other agreement whereby any provision of this section is waived by a tenant is contrary to public policy and void.

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

Sec. 3. Minnesota Statutes 2022, section 504B.177, is amended to read:

504B.177 LATE FEES.

(a) A landlord of a residential building may not charge a late fee if the rent is paid after the due date, unless the tenant and landlord have agreed in writing that a late fee may be imposed. The agreement must specify when the late fee will be imposed. In no case may the late fee exceed eight percent of the overdue rent payment. Any late fee charged or collected is not considered to be either interest or liquidated damages. For purposes of this paragraph, the "due date" does not include a date, earlier than the date contained in the written or oral lease by which, if the rent is paid, the tenant earns a discount.

(b) Notwithstanding paragraph (a), if a federal statute, regulation, or handbook permitting late fees for a tenancy subsidized under a federal program conflicts with paragraph (a), then the landlord may publish and implement a late payment fee schedule that complies with the federal statute, regulation, or handbook.

(c) A late fee charged by a landlord who has entered into a housing assistance payments contract with the federal, state, or local government must be calculated and assessed only on the portion of rent payable by the tenant. For the purposes of this paragraph, "housing assistance payments contract" means programs described in United States Code, title 42, sections 1437f and 1485, as well as other programs under which the landlord contracts to receive rent from the tenant and also to receive payment from the government.

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

Sec. 4. Minnesota Statutes 2022, section 504B.205, subdivision 2, is amended to read:

Subd. 2. **Emergency calls permitted.** (a) A landlord may not:

(1) bar or limit a residential tenant's right to call for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises; or

(2) impose a penalty on a residential tenant for calling for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises.

(b) A residential tenant may not waive and a landlord may not require the residential tenant to waive the residential tenant's right to call for police or emergency assistance.

Sec. 5. Minnesota Statutes 2022, section 504B.205, subdivision 3, is amended to read:

Subd. 3. **Local preemption.** This section preempts any inconsistent local ordinance or rule including, without limitation, any ordinance or rule that:

(1) requires an eviction after a specified number of calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises; or

(2) provides that calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises, may be used to penalize or charge a fee to a landlord.

This subdivision shall not otherwise preempt any local ordinance or rule that penalizes a landlord for, or requires a landlord to abate, conduct on the premises that constitutes a nuisance or other disorderly conduct as defined by local ordinance or rule.

Sec. 6. Minnesota Statutes 2022, section 504B.205, subdivision 6, is amended to read:

Subd. 6. **Attorney general authority.** The attorney general has authority under section 8.31 to investigate and prosecute violations of this section, including situations involving local ordinances.

Sec. 7. Minnesota Statutes 2022, section 504B.206, subdivision 1, is amended to read:

Subdivision 1. **Right to terminate; procedure.** (a) A tenant to a residential lease may terminate a lease agreement in the manner provided in this section without penalty or liability, if the tenant or another authorized occupant fears imminent violence after being subjected to:

(1) domestic abuse, as that term is defined under section 518B.01, subdivision 2;

(2) criminal sexual conduct under sections 609.342 to 609.3451;

(3) sexual extortion under section 609.3458; or

(4) harassment under section 609.749.

(b) The tenant must provide signed and dated advance written notice to the landlord:

(1) stating the tenant fears imminent violence from a person as indicated in a qualifying document against the tenant or an authorized occupant if the tenant or authorized occupant remains in the leased premises;

(2) stating that the tenant needs to terminate the tenancy;

(3) providing the date ~~by~~ on which the ~~tenant will vacate~~ lease will terminate; and

(4) providing written instructions for the disposition of any remaining personal property in accordance with section 504B.271.

(c) The written notice must be delivered before the termination of the tenancy by mail, ~~fax, or~~ in person, or by a form of written communication the plaintiff regularly uses to communicate with the landlord, and be accompanied by a qualifying document. The tenancy terminates for the tenant who exercises the right granted under this subdivision, including the right of possession of the premises, on the date provided in the notice required under paragraph (b). Vacation of the premises under this section by the tenant prior to the date provided in the notice does not constitute termination of the tenancy for the purposes of this section.

(d) The landlord may request that the tenant disclose the name of the perpetrator and, if a request is made, inform the tenant that the landlord seeks disclosure to protect other tenants in the building. The tenant may decline to provide the name of the perpetrator for safety reasons. Disclosure shall not be a precondition of terminating the lease.

~~(e) The tenancy terminates, including the right of possession of the premises, as provided in subdivision 3.~~

Sec. 8. Minnesota Statutes 2022, section 504B.206, subdivision 2, is amended to read:

Subd. 2. **Treatment of information.** (a) A landlord must not disclose:

(1) any information provided to the landlord by a tenant in the written notice required under subdivision 1, paragraph (b);

(2) any information contained in the qualifying document;

(3) the address or location to which the tenant has relocated; or

(4) the status of the tenant as a victim of violence.

(b) The information referenced in paragraph (a) must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims under section 504B.178, with the consent of the tenant, or as otherwise required by law.

(c) A landlord who violates this section is liable to the tenant for statutory damages of \$2,000, plus reasonable attorney fees and costs.

Sec. 9. Minnesota Statutes 2022, section 504B.206, subdivision 3, is amended to read:

Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant who is a sole tenant and is terminating a lease under subdivision 1 is responsible for the rent payment for the full month in which the tenancy terminates. The tenant ~~forfeits~~ relinquishes all claims for the return of the security deposit under section 504B.178 and is relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. In a sole tenancy, the tenancy terminates on the date specified in the notice provided to the landlord as required under subdivision 1.

(b) In a tenancy with multiple tenants, one of whom is terminating the lease under subdivision 1, any lease governing all remaining tenants is terminated at the later of the end of the month or the end of the rent interval in which one tenant terminates the lease under subdivision 1. All tenants are responsible for the rent payment for the full month in which the tenancy terminates. Upon termination, all tenants ~~forfeit~~ relinquish all claims for the return of the security deposit under section 504B.178 and are relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. Any tenant whose tenancy was terminated under this paragraph may reapply to enter into a new lease with the landlord.

(c) This section does not affect a tenant's liability for delinquent, unpaid rent or other amounts owed to the landlord before the lease was terminated by the tenant under this section.

(d) Except as provided in section 504B.285, subdivision 1, paragraph (b), a landlord may not commence an eviction action against a tenant who has terminated a lease as provided in this section.

Sec. 10. Minnesota Statutes 2022, section 504B.206, subdivision 6, is amended to read:

Subd. 6. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "court official" means a judge, referee, court administrator, prosecutor, probation officer, or victim's advocate, whether employed by or under contract with the court, who is authorized to act on behalf of the court;

(2) "qualified third party" means a person, acting in an official capacity, who has ~~had in person contact with~~ provided professional services to the tenant and is:

(i) a licensed health care professional operating within the scope of the license;

(ii) a domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l); or

(iii) a sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k);

(3) "qualifying document" means:

(i) a valid order for protection issued under chapter 518B;

(ii) a no contact order currently in effect, issued under section 629.75 or chapter 609;

(iii) a writing produced and signed by a court official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known;

(iv) a writing produced and signed by a city, county, state, or tribal law enforcement official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known; or

(v) a statement by a qualified third party, in the following form:

STATEMENT BY QUALIFIED THIRD PARTY

I, (name of qualified third party), do hereby verify as follows:

1. I am a licensed health care professional, domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k), who has ~~had in person contact with~~ provided professional services to (name of victim(s)).

2. I have a reasonable basis to believe (name of victim(s)) is a victim/are victims of domestic abuse, criminal sexual conduct, sexual extortion, or harassment and fear(s) imminent violence against the individual or authorized occupant if the individual remains (the individuals remain) in the leased premises.

3. I understand that the person(s) listed above may use this document as a basis for gaining a release from the lease.

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone)

(Date)

Sec. 11. Minnesota Statutes 2023 Supplement, section 504B.266, subdivision 2, is amended to read:

Subd. 2. **Termination of lease upon infirmity of tenant.** (a) A tenant or the authorized representative of the tenant may terminate the lease prior to the expiration of the lease in the manner provided in subdivision 3 if the tenant has or, if there is more than one tenant, ~~all one of~~ one of the tenants ~~have~~ has, been found by a medical professional to need to move into a medical care facility and:

(1) require assistance with instrumental activities of daily living or personal activities of daily living due to medical reasons or a disability;

(2) meet one of the nursing facility level of care criteria under section 144.0724, subdivision 11; or

(3) have a disability or functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced because of a mental illness.

(b) When a tenant requires an accessible unit as defined in section 363A.40, subdivision 1, and the landlord can provide an accessible unit in the same complex where the tenant currently resides that is available within two months of the request, then the provisions of this section do not apply and the tenant may not terminate the lease.

Sec. 12. Minnesota Statutes 2023 Supplement, section 504B.268, subdivision 1, is amended to read:

Subdivision 1. **Right to counsel.** A defendant in ~~public~~ housing subsidized by the United States Department of Housing and Urban Development under Section 9 of the United States Housing Act of 1937 or the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, 125 Stat. 673, subject to an eviction action under sections 504B.281 to 504B.371 alleging breach of lease under section 504B.171 or 504B.285 who is financially unable to obtain counsel has the right to counsel appointed by the court. The complaint required by section 504B.321 shall include the notice on the first page of the complaint in bold 12-point type: "If financially unable to obtain counsel, the defendant has the right to a court-appointed attorney." At the initial hearing, the court shall ask the defendant if the defendant wants court-appointed counsel and shall explain what such appointed counsel can accomplish for the defendant.

Sec. 13. Minnesota Statutes 2022, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment;

(ii) after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property; or

(iii) after the expiration of the time for redemption on a real estate tax judgment sale;

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

(b) A landlord may not commence an eviction action against a tenant or authorized occupant solely on the basis that the tenant or authorized occupant has been the victim of any of the acts listed in section 504B.206, subdivision 1, paragraph (a). A landlord may not commence an eviction action against a residential tenant who has terminated a lease as provided in section 504B.206. Nothing in this paragraph should be construed to prohibit an eviction action based on a breach of the lease or where a tenant has provided the written notice under section 504B.206, subdivision 1, but failed to vacate on or before the date provided in that notice. A landlord violating this paragraph is liable to the tenant for reasonable attorney fees and costs incurred by the tenant for obtaining an expungement as provided under section 484.014, subdivision 3.

Sec. 14. Minnesota Statutes 2023 Supplement, section 504B.331, is amended to read:

504B.331 SUMMONS AND COMPLAINT; HOW SERVED.

Subdivision 1. **Definition.** For purposes of this section, "plaintiff" includes the plaintiff's attorney, employees of the plaintiff's attorney, or any other agent of the plaintiff.

Subd. 2. **Generally.** (a) The summons and complaint must be served at least seven days before the date of the court appearance specified in section 504B.321, in the manner provided for service of a summons in a civil action in district court.

(b) The plaintiff must make a good faith attempt to communicate to the defendant that an eviction hearing has been scheduled. The communication must have a time and date stamp, and include the date, time, and place of the hearing specified in the summons. The communication must be delivered by means of electronic written communication that the plaintiff regularly uses to communicate with the defendant or to the last known electronic address the plaintiff has used to communicate with the defendant, unless the parties do not communicate via any form of electronic written communication. The plaintiff must substantially comply with this paragraph.

Subd. 3. **Personal or substitute service.** (a) If the defendant can be found in the county, the summons and complaint must be served in the manner provided for service of a civil action in district court.

(b) If the defendant cannot be found in the county, the summons and complaint may be served at least seven days before the date of the court appearance by:

(1) leaving a copy at the defendant's last usual place of abode with a person of suitable age and discretion residing there; or

(2) if the defendant had no place of abode, by leaving a copy at the property described in the complaint with a person of suitable age and discretion occupying the premises.

~~(c) Failure of the sheriff to serve the defendant is prima facie proof that the defendant cannot be found in the county.~~

~~(d) Where the defendant cannot be found in the county~~

Subd. 4. **Service by mail and posting.** (a) If attempts at personal or substitute service are unsuccessful, service of the summons and complaint may be made upon the defendant by posting the summons in a conspicuous place on the property for not less than one week if: mail and posting.

~~(1) the property described in the complaint is:~~

~~(i) nonresidential and no person actually occupies the property; or~~

~~(ii) residential and service has been attempted at least twice on different days, with at least one of the attempts having been made between the hours of 6:00 p.m. and 10:00 p.m.; and~~

~~(2) the plaintiff or the plaintiff's attorney has signed and filed with the court an affidavit stating that:~~

~~(i) the defendant cannot be found, or that the plaintiff or the plaintiff's attorney believes that the defendant is not in the state;~~

~~(ii) a copy of the summons has been mailed to the defendant at the defendant's last known address if any is known to the plaintiff; or~~

~~(iii) the plaintiff or plaintiff's attorney has communicated to the defendant that an eviction hearing has been scheduled, including the date, time, and place of the hearing specified in the summons, by at least one form of written communication the plaintiff regularly uses to communicate with the defendant that have a date and time stamp.~~

~~(e) If the defendant or the defendant's attorney does not appear in court on the date of the appearance, the trial shall proceed.~~

(b) If service by mail and posting is used, the following steps must occur no later than seven days before the date of the court appearance specified in section 504B.321:

(1) the plaintiff must mail a copy of the summons and complaint to the defendant at the defendant's last known address;

(2) for residential evictions only, there must be at least two attempts at personal service. The personal service attempts must occur on different days at the last known address of the defendant and be done in the manner provided for service of a summons and complaint in a civil action in district court. At least one of the attempts must be made between the hours of 6:00 p.m. and 10:00 p.m. Failure to serve the defendant, after the plaintiff complies with this paragraph, is prima facie proof that attempts at personal or substitute service were unsuccessful;

(3) the summons and complaint must be posted on the entry to the defendant's individual unit. If the defendant occupies a multiunit building, the summons and complaint must be posted on the door of the defendant's individual unit; and

(4) at least three days before the first appearance, the plaintiff or plaintiff's attorney must cause to be filed with the court affidavits stating:

(i) the defendant cannot be found in the county, or that the plaintiff believes that the defendant is not in the state;

(ii) a copy of the summons and complaint has been mailed to the defendant at the defendant's last known address at least seven days before the date of the court appearance specified in section 504B.321;

(iii) the date and manner by which the plaintiff attempted to communicate to the defendant that an eviction hearing has been scheduled, including the date, time, and place of the hearing specified in the summons and complaint, by at least one form of electronic written communication that has a date and time stamp and that the plaintiff regularly uses to communicate with the defendant, or that there is no such form of written communication;

(iv) if applicable, how the requirements of subdivision 3, paragraph (b), clause (2), were met, including the dates and times of the attempts at service; and

(v) the date and time the summons and complaint were posted on the entry to the defendant's individual unit.

EFFECTIVE DATE. This section is effective August 1, 2024, for all summons and complaints served on or after that date.

Sec. 15. Minnesota Statutes 2023 Supplement, section 504B.345, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) If the court or jury finds for the plaintiff, the court shall immediately enter judgment that the plaintiff shall have recovery of the premises, and shall tax the costs against the defendant. The court shall issue execution in favor of the plaintiff for the costs and also immediately issue a writ of recovery of premises and order to vacate.

(b) The court shall give priority in issuing a writ of recovery of premises and order to vacate for an eviction action brought under section 504B.171 or on the basis that the tenant is causing a nuisance or seriously endangers the safety of other residents, their property, or the landlord's property.

(c) If the court or jury finds for the defendant, then the court:

(1) shall enter judgment for the defendant, tax the costs against the plaintiff, and issue execution in favor of the defendant; and

(2) shall expunge the records relating to the action under the provisions of section 484.014 or under the court's inherent authority at the time judgment is entered or after that time upon motion of the defendant.

(d) Except in actions brought: (1) ~~under section 504B.291~~; (2) under section 504B.171; or (3) (2) on the basis that the residential tenant engages in behavior that seriously endangers the safety of other residents, or intentionally and seriously damages the property of the landlord or a tenant, the court shall stay the writ of recovery of premises and order to vacate for a reasonable period, not to exceed seven days.

EFFECTIVE DATE. This section is effective July 1, 2024, and applies to summons and complaints served on or after that date.

ARTICLE 2 TENANT SCREENING

Section 1. **[504B.117] INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER.**

A landlord must provide on a rental application the option for a prospective tenant to submit an individual taxpayer identification number or a Social Security number as follows:

"SSN or ITIN:"

A landlord must not deny a rental application solely because the prospective tenant provided an individual taxpayer identification number. Nothing in this section prevents a landlord from denying an application if the consumer credit report attached to an individual taxpayer identification number is insufficient.

Sec. 2. Minnesota Statutes 2022, section 504B.173, is amended by adding a subdivision to read:

Subd. 3a. Denial based on pending cases. (a) No landlord may deny a rental application based on any of the following:

(1) a pending eviction action;

(2) any court file that is not public, has been expunged, or has been destroyed; or

(3) any eviction action that has not resulted in a writ of recovery of premises and order to vacate, as that term is defined in section 504B.001, subdivision 15.

(b) There shall be a rebuttable presumption that a landlord is in violation of this section if it is established that the landlord:

(1) reviewed court records relating to a potential tenant and the records met the criteria described in paragraph (a); and

(2) after reviewing the record or records, subsequently refuses to rent or offer a lease to the potential tenant.

Sec. 3. Minnesota Statutes 2022, section 504B.173, subdivision 4, is amended to read:

Subd. 4. **Remedies.** (a) In addition to any other remedies, a landlord who violates ~~this section subdivisions 1 to 3~~ is liable to the applicant for the applicant screening fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy. A landlord who violates subdivision 3a is liable to the applicant for the applicant screening fee plus a civil penalty of up to \$1,000, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy.

(b) A prospective tenant who provides materially false information on the application or omits material information requested is liable to the landlord for damages, plus a civil penalty of up to \$500, civil court filing costs, and reasonable attorney fees.

Sec. 4. Minnesota Statutes 2022, section 504B.241, subdivision 4, is amended to read:

Subd. 4. **Court file information.** (a) If a residential tenant screening service includes information from a court file on an individual in a residential tenant report, the report must provide the full name and date of birth of the individual in any case where the court file includes the individual's full name and date of birth, and the outcome of the court proceeding must be accurately recorded in the residential tenant report including the specific basis of the court's decision, when available. ~~If a tenant screening service knows that a court file has been expunged, the tenant screening service shall delete any reference to that file in any data maintained or disseminated by the screening service.~~

(b) Every residential tenant screening service has an affirmative duty to update and verify the current status of court files by accessing the Minnesota Court Records Online no more than 24 hours prior to issuing a residential tenant screening report.

(c) Whenever the court supplies information from a court file on an individual, in whatever form, the court shall include the full name and date of birth of the individual, if that is indicated on the court file or summary, and information on the outcome of the court proceeding, including the specific basis of the court's decision, coded as provided in subdivision 5 for the type of action, when it becomes available.

(d) The residential tenant screening service is not liable under section 504B.245 if the residential tenant screening service reports complete and accurate information as provided by the court, consistent with paragraph (b).

Sec. 5. Minnesota Statutes 2022, section 504B.245, is amended to read:

504B.245 TENANT REPORT; REMEDIES.

~~The remedies provided in section 8.31 apply to a violation of section 504B.241. In addition to the remedies otherwise provided by law, any person injured by a violation of section 504B.241 may bring a civil action against a residential tenant screening service or landlord in compliance with the provisions of the Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq., is considered to be in compliance with section 504B.241. and recover the greater of \$1,000 or actual damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. The attorney general has the authority to investigate and prosecute violations of section 504B.241.~~

ARTICLE 3
CONSTRUCTION AND REPAIRS FOR RESIDENTIAL RENTALS

Section 1. **[504B.153] NEW CONSTRUCTION DELAYS; TENANT REMEDIES.**

Subdivision 1. Definition; new construction. For purposes of this section, "new construction" means a new building, rehabilitation, modification, reconstruction, any physical changes altering the use or occupancy of the dwelling units, or an addition to a building.

Subd. 2. Requirements if landlord cannot deliver occupancy. (a) If a landlord is informed by a builder or otherwise knows that a new construction for rental occupancy will not be available for occupancy by the move-in date established in the lease agreement, the landlord must, within seven days and prior to the move-in date, notify every tenant affected and offer the following choices to the tenant to be accepted at the tenant's option:

(1) alternative housing provided by the landlord that is reasonably equivalent in size, amenities, and location to the unit described in the lease agreement, unless otherwise agreed upon by the tenant, until the unit may be lawfully inhabited;

(2) payment from the landlord to the tenant, equivalent to the cost of rent established in the lease agreement, to mitigate the costs of alternative housing secured by the tenant until the unit described in the lease agreement may be lawfully inhabited; or

(3) termination of the lease agreement and a return to the tenant of all amounts paid to the landlord, including any rent, deposit, and other payments incurred in entering the lease agreement.

(b) If a tenant exercises options under paragraph (a), clause (1) or (2), the landlord must provide the tenant with reimbursements related to security deposits, application fees, parking fees, pet fees, and any other fees reasonably associated with securing alternative housing.

(c) Tenants exercising options under paragraph (a), clause (1) or (2), may terminate their lease agreement under paragraph (a), clause (3), if the new construction for rental occupancy is not available for tenant occupancy within 90 days of the move-in date established in the lease agreement.

Subd. 3. Waiver. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Subd. 4. Remedies. (a) A violation by the landlord of subdivision 2 is a violation of section 504B.375. A tenant aggrieved by a violation by the landlord of subdivision 2 may elect the following remedy:

(1) recovery under section 504B.231; or

(2) recover the greater of one month's rent, \$1,000, or actual damages, plus reasonable attorney fees and court costs.

(b) The remedies available under this section are in addition to any other remedies available at equity or law.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all leases entered into on or after that date.

Sec. 2. **[504B.386] TENANT RIGHT TO REPAIR TO REMEDY VIOLATION.**

(a) In lieu of a rent escrow action under section 504B.381, 504B.385, or 504B.395, a tenant may pay for the repairs in a residential rental unit after a 14-day notice and an opportunity to repair has been provided to the landlord consistent with paragraph (b). The tenant may subtract the cost of the repairs from the tenant's future rent.

(b) Fourteen days prior to a tenant contracting for repairs and paying for a repair to the residential rental unit, the tenant must:

(1) provide a written notice to the landlord at the address where the tenant sends rent provided under section 504B.181; and

(2) notify the landlord of the repair that is needed and of the tenant's intent to deduct the cost of the repair from the tenant's rent via phone call, email, text message, or online portal, whichever means of communication is normally used by the tenant to communicate with the landlord.

(c) For a violation as defined in section 504B.001, subdivision 14, clause (1), the residential tenant must provide a copy of the written notice of the code violation as provided in section 504B.185, subdivision 2, if an inspection has occurred. If no inspection has occurred, the tenant must provide an explanation of the repair that is needed and an estimate to fix the repair to the landlord. The residential tenant may not make repairs until the time granted by the inspector has expired without satisfactory repairs being made, unless the residential tenant alleges that the time granted is excessive pursuant to section 504B.385. The tenant must inform the landlord of the tenant's intent to use the tenant's future rent to pay for the repairs when the notice is provided.

(d) For a violation as defined in section 504B.001, subdivision 14, clause (2) or (3), the residential tenant must give written notice to the landlord specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid provided under section 504B.181, subdivision 1. The tenant must also notify the landlord of the repair that is needed and of the tenant's intent to deduct the cost of the repair from the tenant's rent via phone call, email, text message, or online portal, whichever means of communication is normally used by the tenant to communicate with the landlord. The tenant must inform the landlord of the tenant's intent to use future rent to pay for the repair. If the landlord has not provided the tenant with a scheduled repair date or the violation is not corrected within seven days, the residential tenant may contract for repairs with a professional who is unrelated to the tenant, is trained to perform the work for which the estimate is being prepared, and complies with all licensing, certification, or registration requirements of this state that apply to the performance of the work. Any deductions made by a tenant under this section are limited to an amount equal to two rent payments for two months within a 12-month period.

(e) A tenant may contract for repairs under the same process in this section for necessary repairs in a common area of a residential building if the repair is necessary for the safety and operation of the building for tenants.

(f) A tenant may repair or replace an appliance under this section. An appliance purchased by the tenant is the property of the landlord when the tenant is reimbursed for the cost of the appliance.

(g) The tenant must provide an invoice or payment receipt to the landlord when subtracting the amount paid for repairs from the rent. The tenant may reduce the rent for each rental payment owed until the total amount of the repair has been paid. When a deduction of rent is not possible, a tenant shall still be reimbursed by the landlord for costs associated with violations consistent with the provisions of this section.

(h) This remedy shall not be available to the tenant more than twice in a two-month period.

ARTICLE 4
TENANT ORGANIZING FOR RESIDENTIAL RENTALS

Section 1. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 13a. **Tenant association.** "Tenant association" means a group of tenants from two or more rental units that are owned or operated by the same landlord who form or maintain an organization, whether incorporated or unincorporated, to improve housing conditions, amenities, community life, or the contractual position of the member tenants.

Sec. 2. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 13b. **Tenant organizer.** "Tenant organizer" means a tenant or another who assists residential tenants in establishing and operating a tenant association and is not an employee or representative of the current or prospective landlord, property owner, manager, or agent of the landlord.

Sec. 3. **[504B.212] TENANT RIGHT TO ORGANIZE; TENANT ASSOCIATIONS.**

Subdivision 1. **Tenant's right to organize.** (a) Residential tenants of a residential building have the right to establish and operate a tenant association for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development. Owners of residential rental units and their agents must allow residential tenants and tenant organizers to conduct activities related to the establishment or organization of a residential tenant organization, including but not limited to:

(1) distributing information or leaflets in the common areas of the residential building, including bulletin or community boards;

(2) distributing information or leaflets to individual units in a residential building;

(3) initiating contact with tenants through mail, telephone, or electronically;

(4) initiating contact with tenant units to offer information on tenant organizations or survey tenants on interest in tenant associations;

(5) assisting tenants in participating in tenant association activities; and

(6) convening tenant association meetings in a space at the residential building.

(b) A tenant association using the rights provided in this chapter must adopt bylaws or an operating agreement related to the internal governance of the tenant association.

(c) A tenant association must be completely independent of owners, management, and their representatives. To preserve the independence of the tenant association, management representatives from the owner of a residential tenant building may not attend meetings unless invited by the tenant association to specific meetings to discuss a specific issue.

(d) A tenant organizer who is not a residential tenant of the landlord must be accompanied in the residential building by a tenant who resides in the building.

(e) No landlord shall prohibit or adopt any rule prohibiting residential tenants or nonresident tenant organizers from peacefully organizing, assembling, canvassing, leafleting, or otherwise exercising within the building their right of free expression for noncommercial purposes. A landlord may not require tenants and tenant organizers to obtain prior permission to engage in protected activities. A landlord may not adopt and enforce rules that set unreasonable limits as to time, place, and manner of the meetings or communication with tenants in the building.

Subd. 2. **Retaliation prohibited.** (a) A landlord may not increase rent, decrease services, alter an existing rental agreement, file a legal action against a tenant, contact federal or state law enforcement related to a tenant's immigration status, or seek to recover possession or threaten any such action in whole or in part in retaliation after a tenant:

(1) reports a code violation to a government agency, elected official, or other government official responsible for the enforcement of a building, housing, health, or safety code;

(2) reports a building, housing, health, or safety code violation, or a violation of this chapter, to a community organization or the news media;

(3) seeks the assistance of a community organization or others, including but not limited to a media or news organization, for assistance with a code violation or a violation of this chapter;

(4) makes a request that the landlord of a residential building make repairs to the premises as required by this chapter, or remedy a building or health code, other regulation, or uphold portions of the residential rental agreement;

(5) joins or attempts to join a tenant association or similar organization; or

(6) testifies in any court or administrative proceeding concerning the condition of the premises or exercised any right or remedy provided by law.

(b) In any proceeding in which retaliation is alleged, the burden of proof shall be on the landlord, if the landlord's alleged retaliatory action was within 90 days of the tenant engaging in any of the activities identified in this subdivision. If the challenged action began more than 90 days after the resident engaged in the protected activity, the tenant claiming the landlord is retaliating has the burden of proof.

Subd. 3. **Penalties.** If a landlord, an agent, or other person acting under the landlord's direction or control unlawfully and in bad faith violates this section, the tenant may recover from the landlord up to \$1,000 per occurrence and reasonable attorney fees.

ARTICLE 5 COURT REMEDIES; RESIDENTIAL RENTALS

Section 1. Minnesota Statutes 2022, section 504B.001, subdivision 5, is amended to read:

Subd. 5. **Housing-related neighborhood organization.** "Housing-related neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that:

~~(1) designates in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and~~

~~(2) is formed in part for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.~~

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a residential tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of one of the residential tenants of a majority of the occupied units.

Sec. 2. Minnesota Statutes 2022, section 504B.001, subdivision 14, is amended to read:

Subd. 14. **Violation.** "Violation" means:

(1) a violation of any state, county or city health, safety, housing, building, fire prevention, or housing maintenance code applicable to the building;

(2) a violation of ~~any of the covenants set forth in section 504B.161, subdivision 1, clause (1) or (2), or in section 504B.171, subdivision 1~~ this chapter; or

(3) a violation of any federal, state, county, or city laws protecting tenants from discrimination;

(4) a violation of any applicable tenant rights and landlord obligations for public and subsidized tenancies under local, state, or federal law; or

~~(3)~~ (5) a violation of an oral or written agreement, lease, or contract for the rental of a dwelling in a building.

Sec. 3. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 16. **Abandonment.** (a) "Abandonment of tenancy" means the intentional and voluntary absolute relinquishment of premises by the residential tenant.

(b) "Abandonment of personal property" means a residential tenant leaving some of the tenant's personal property on the premises after permanently vacating the property.

Sec. 4. Minnesota Statutes 2022, section 504B.101, is amended to read:

504B.101 DISTRESS FOR RENT.

The remedy of distress for rent is abolished. The requirements of this section may not be waived or modified by the parties to a residential lease. Any provision, whether oral or written, of a lease or other agreement by which any provision of this section is waived by a tenant is contrary to public policy and void. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 5. Minnesota Statutes 2022, section 504B.111, is amended to read:

504B.111 WRITTEN LEASE REQUIRED; PENALTY.

(a) A landlord of a residential building with 12 or more residential units must have a written lease for each unit rented to a residential tenant. The written lease must identify the specific unit the residential tenant will occupy before the residential tenant signs the lease. Notwithstanding any other state law or city ordinance to the contrary, a landlord may ask for the tenant's full name and date of birth on the lease and application. A landlord who fails to provide a lease, as required under this section, is guilty of a petty misdemeanor.

(b) The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 6. Minnesota Statutes 2022, section 504B.115, subdivision 1, is amended to read:

Subdivision 1. **Copy of written lease to tenant.** Where there is a written lease, a landlord must give a copy to a tenant occupying a dwelling unit whose signature appears on the lease agreement. The landlord may obtain a signed and dated receipt, either as a separate document or an acknowledgment included in the lease agreement itself, from the tenant acknowledging that the tenant has received a copy of the lease. This signed receipt or acknowledgment is prima facie evidence that the tenant has received a copy of the lease. The landlord must provide the copy of the lease agreement within 14 days of the tenant's written request. The tenant shall recover from the landlord actual and consequential damages or \$250, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 7. Minnesota Statutes 2022, section 504B.116, is amended to read:

504B.116 PRORATED RENT REQUIRED.

(a) When a lease term for a residential unit ends on a date before the last day of the final month, the amount of rent to be paid for the final month owed for the final month of rent must be prorated at the average daily rate for that month so that the tenant only pays for the actual number of days that occupancy is allowed. This provision applies to all leases, including leases requiring the last month of rent to be paid in advance. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

(b) For purposes of this section, prorated rent must be calculated using the actual number of calendar days for the calendar month in which the lease expires.

Sec. 8. Minnesota Statutes 2022, section 504B.118, is amended to read:

504B.118 RECEIPT FOR RENT PAID IN CASH.

A landlord receiving rent or other payments from a tenant in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$250, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 9. Minnesota Statutes 2022, section 504B.131, is amended to read:

504B.131 RENT LIABILITY; UNINHABITABLE BUILDINGS.

A tenant or occupant of a building that is destroyed or becomes uninhabitable or unfit for occupancy through no fault or neglect of the tenant or occupant may vacate and surrender such a building. A tenant or occupant may expressly agree otherwise except as prohibited by section 504B.161. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 10. Minnesota Statutes 2022, section 504B.141, is amended to read:

504B.141 URBAN REAL ESTATE; HOLDING OVER.

When a tenant of urban real estate, or any interest therein, holds over and retains possession after expiration of the lease without the landlord's express agreement, no tenancy for any period other than the shortest interval between the times of payment of rent under the terms of the expired lease shall be implied. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$250, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 11. Minnesota Statutes 2022, section 504B.145, is amended to read:

504B.145 RESTRICTION ON AUTOMATIC RENEWALS OF LEASES.

Subdivision 1. Automatic renewal. Notwithstanding the provisions of any residential lease, in order to enforce any automatic renewal clause of a lease of an original term of two months or more which states, in effect, that the term shall be deemed renewed for a specified additional period of time of two months or more unless the tenant gives notice to the landlord of an intention to quit the premises at the expiration of the term due to expire, the landlord must give notice to the tenant as provided in this section. The notice must be in writing and direct the tenant's attention to the automatic renewal provision of the lease. the notice must be served personally or mailed by certified mail at least 15 days, but not more than 30 days prior to the time that the tenant is required to furnish notice of an intention to quit.

Subd. 2. Penalty. If the landlord does not comply with the notice requirements of this section, the tenant may choose to terminate the lease on the last day of the lease without further notice unless a new agreement is reached by the parties.

Subd. 3. Waiver prohibited. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 12. Minnesota Statutes 2022, section 504B.151, subdivision 1, is amended to read:

Subdivision 1. **Limitation on lease and notice to tenant.** (a) Once a landlord has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, or summons and complaint under chapter 581, the landlord may only enter into (i) a periodic residential lease agreement with a term of not more than two months or the time remaining in the contract cancellation period or the mortgagor's redemption period, whichever is less or (ii) a fixed term residential tenancy not extending beyond the cancellation period or the landlord's period of redemption until:

- (1) the contract for deed has been reinstated or paid in full;
- (2) the mortgage default has been cured and the mortgage reinstated;
- (3) the mortgage has been satisfied;
- (4) the property has been redeemed from a foreclosure sale; or
- (5) a receiver has been appointed.

(b) Before entering into a lease under this section and accepting any rent or security deposit from a tenant, the landlord must notify the prospective tenant in writing that the landlord has received notice of a contract for deed cancellation or notice of a mortgage foreclosure sale as appropriate, and the date on which the contract cancellation period or the mortgagor's redemption period ends.

(c) This section does not apply to a manufactured home park as defined in section 327C.015, subdivision 8.

(d) ~~A landlord who violates the requirements in this subdivision is liable to the lessee for a civil penalty of \$500. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section, unless the landlord falls under the exception in subdivision 2. The remedy provided under this paragraph is in addition to and shall not limit other rights or remedies available to landlords and tenants.~~

Sec. 13. **[504B.153] TENANT ABANDONMENT OF DWELLING.**

Subdivision 1. **Abandonment.** (a) If a residential tenant abandons a dwelling unit during the lease term, the landlord shall make reasonable efforts to rent it at a fair rental value. If the landlord rents the dwelling unit for a term beginning before the expiration of the rental agreement, the agreement is terminated on the date the new tenancy begins. The rental agreement is terminated by the landlord on the date the landlord has notice of the abandonment if the landlord fails to use reasonable efforts to rent the dwelling unit at a fair rental value or if the landlord accepts the abandonment as a surrender. The tenant shall not be liable for rent after the termination of the tenancy.

(b) If the rental agreement was for a periodic tenancy or tenancy at will, the maximum rent liability for the tenant is the notice period required to end the lease from the date the landlord has notice of the abandonment.

Subd. 2. **Waiver prohibited.** Any waiver of the rights provided by this section shall be void and unenforceable.

Sec. 14. Minnesota Statutes 2023 Supplement, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** ~~(a)~~ In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use as advertised or promised by the landlord or licensor, or otherwise intended by the parties;

(2) to keep the premises and all common areas in reasonable repair during the term of the lease or license, including services and conditions listed in section 504B.381, subdivision 1, and extermination of insects, rodents, vermin, or other pests on the premises, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises and all common areas reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost;

(4) to maintain the premises and all common areas in compliance with the applicable health and safety laws of the United States, of the state, and of the local units of government, including ordinances regulating rental licensing, where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(5) to supply or furnish heat at a minimum temperature of 68 degrees Fahrenheit from October 1 through April 30, unless a utility company requires and instructs the heat to be reduced.

~~(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.~~

Sec. 15. Minnesota Statutes 2022, section 504B.161, subdivision 2, is amended to read:

Subd. 2. **Tenant maintenance.** The landlord or licensor may agree with the tenant or licensee that the tenant or licensee is to perform specified repairs or maintenance, including snow removal and maintenance of the lawn and premises, but only if the agreement is supported by adequate consideration and the consideration is specifically set forth in a conspicuous writing. No such agreement, however, may waive the provisions of subdivision 1 or relieve the landlord or licensor of the duty to maintain common areas of the premises.

Sec. 16. Minnesota Statutes 2022, section 504B.161, subdivision 4, is amended to read:

Subd. 4. **Covenants are in addition.** The covenants contained in this section are in addition to any covenants or conditions imposed by law or ordinance or by the terms of the lease or license and do not limit other rights or remedies which may be available to the residential tenant and landlord.

Sec. 17. Minnesota Statutes 2022, section 504B.161, is amended by adding a subdivision to read:

Subd. 7. **Remedies.** If a landlord is in violation of this section, the tenant shall be entitled to:

(1) actual and consequential damages, based on rent abatement for impairment of use and enjoyment of the property for the period of the violation under section 541.05, subdivision 1, and consequential damages, or \$500, whichever is greater;

(2) in the case of a residential building or residential unit that has been condemned for city or county housing code or rental licensing violations, actual and consequential damages, based on the total rent for the period of the violation under section 541.05, subdivision 1, and consequential damages, or \$500, whichever is greater;

(3) in the case of violation of subdivision 2, actual and consequential damages, based on adequate consideration for services performed by the tenant for the period of the violation under section 541.05, subdivision 1, and consequential damages, or \$500, whichever is greater;

(4) actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section;

(5) correction of violations by the landlord;

(6) at the tenant's option, full rescission of the lease and recovery of any damage deposit, less any amount retained under section 504B.178;

(7) costs, disbursements, and reasonable attorney fees related to enforcement of this section; and

(8) at the tenant's option, collection of awards under this subdivision as a credit against current and future rents from the landlord.

Sec. 18. Minnesota Statutes 2022, section 504B.161, is amended by adding a subdivision to read:

Subd. 8. **Enforcement.** A residential tenant may enforce the provisions of this section in actions under sections 504B.281 to 504B.371, 504B.381, 504B.385, and 504B.395 to 504B.471, and other civil actions.

Sec. 19. Minnesota Statutes 2022, section 504B.161, is amended by adding a subdivision to read:

Subd. 9. **Waiver prohibited.** Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

Sec. 20. Minnesota Statutes 2022, section 504B.175, subdivision 4, is amended to read:

Subd. 4. **Remedies.** In addition to any other remedies, a landlord who violates this section is liable to the payor of the prelease deposit for the amount of the deposit paid, plus one half of that amount as a penalty. A landlord who enters into a rental agreement with a tenant is not liable under this section unless the landlord failed to comply with subdivision 3. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section, and, at the tenant's option, full rescission of the lease and recovery of any damage deposit less any amount retained under section 504B.178.

Sec. 21. Minnesota Statutes 2022, section 504B.178, subdivision 7, is amended to read:

Subd. 7. **Bad faith retention.** The bad faith retention by a landlord of a deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$500 \$750 for each deposit in addition to the damages provided in subdivision 4 and reasonable attorney fees. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 22. Minnesota Statutes 2022, section 504B.181, is amended by adding a subdivision to read:

Subd. 7. **Waiver prohibited.** Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 23. Minnesota Statutes 2022, section 504B.185, subdivision 2, is amended to read:

Subd. 2. **Notice.** (a) After the local authority has inspected the residential building under subdivision 1, the inspector shall inform the landlord or the landlord's agent and the residential tenant or housing-related neighborhood organization in writing of any code violations discovered and a reasonable deadline for correcting violations.

(b) A reasonable period of time must be allowed in which to The landlord shall correct the violations by the deadline given by the local authority.

Sec. 24. Minnesota Statutes 2022, section 504B.185, is amended by adding a subdivision to read:

Subd. 3. **Remedies.** Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 25. Minnesota Statutes 2022, section 504B.195, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to tenant.** ~~(a) Except as provided in subdivision 3, A landlord, agent, or person acting under the landlord's direction or control shall provide a copy of all outstanding inspection orders for which a citation has been issued, issued in the previous 12 months~~ pertaining to a rental unit or common area, specifying code violations issued under section 504B.185, that the housing inspector identifies as requiring notice ~~because the violations threaten the health or safety of the tenant, all notices of rental license denials, violations, suspensions, and terminations,~~ and all outstanding condemnation orders and declarations that the premises are unfit for human habitation to:

(1) a tenant, either by delivery or by United States mail, postage prepaid, within 72 hours after issuance of the citation;

(2) a person before signing a lease or paying rent or a security deposit to begin a new tenancy; and

(3) a person prior to obtaining new ownership of the property subject to the order or declaration. The housing inspector shall indicate on the inspection order whether the violation threatens the health or safety of a tenant or prospective tenant.

~~(b) If an inspection order, for which a citation has been issued, does not involve code violations that threaten the health or safety of the tenants, the landlord, agent, or person acting under the landlord's control shall post a summary of the inspection order in a conspicuous place in each building affected by the inspection order, along with a notice that the inspection order will be made available by the landlord for review, upon a request of a tenant or prospective tenant. The landlord shall provide a copy of the inspection order for review by a tenant or a prospective tenant as required under this subdivision.~~

Sec. 26. Minnesota Statutes 2022, section 504B.195, is amended by adding a subdivision to read:

Subd. 2a. **Damages.** The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 27. Minnesota Statutes 2022, section 504B.195, subdivision 5, is amended to read:

Subd. 5. **Remedies additional.** The remedies provided in this section are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void. A violation of this section violates section 504B.161.

Sec. 28. Minnesota Statutes 2022, section 504B.204, is amended to read:

504B.204 ACTION FOR RENTAL OF CONDEMNED RESIDENTIAL PREMISES.

(a) A landlord, agent, or person acting under the landlord's direction or control may not accept rent or a security deposit for residential rental property from a tenant after the leased premises have been (1) condemned or declared unfit for human habitation, (2) ordered to be vacated due to violations of a housing, health, or fire code or rental licensing ordinance by the applicable federal, state, or local authority, if the tenancy commenced after the premises were condemned or declared unfit for human habitation, or (3) ordered to be vacated pursuant to a government taking. If a landlord, agent, or a person acting under the landlord's direction or control violates this section, the landlord is liable to the tenant for actual damages and an amount equal to three times the amount of all money collected from the tenant after date of condemnation or declaration, plus costs and attorney fees. A violation of this section violates section 504B.161. This section shall be liberally construed for the protection of tenants.

(b) The remedies provided in this section are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Sec. 29. Minnesota Statutes 2022, section 504B.205, subdivision 5, is amended to read:

Subd. 5. **Residential tenant remedies.** ~~A residential tenant may bring a civil action for a violation of this section and recover from the landlord \$250 or actual damages, whichever is greater, and reasonable attorney's fees. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section. A violation of this section violates section 504B.161. This section shall be liberally construed for the protection of tenants.~~

Sec. 30. Minnesota Statutes 2022, section 504B.231, is amended to read:

504B.231 DAMAGES FOR OUSTER.

(a) If a landlord, an agent, or other person acting under the landlord's direction or control unlawfully and in bad faith removes, excludes, or forcibly keeps out a tenant from residential premises, the tenant ~~may~~ shall recover from the landlord actual and consequential damages, the greater of treble, actual, and consequential damages or \$500, whichever is greater, \$1,000, and reasonable attorney's attorney fees, and at the tenant's option, full rescission of the lease and recovery of any damage deposit less any amount retained under section 504B.178. A landlord may not charge or collect rent for a month where the landlord has violated this section. A violation of this section by the landlord is a violation of section 504B.161.

(b) The remedies provided in this section are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void. The provisions of this section also apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired. This section shall be liberally construed for the protection of tenants.

Sec. 31. Minnesota Statutes 2022, section 504B.265, is amended by adding a subdivision to read:

Subd. 5. **Remedies.** The personal representative of the tenant's estate shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 32. Minnesota Statutes 2022, section 504B.271, subdivision 2, is amended to read:

Subd. 2. **Landlord's punitive Damages.** If a landlord, an agent, or other person acting under the landlord's direction or control, in possession of a tenant's personal property, fails to allow the tenant to retake possession of the property within 24 hours after written demand by the tenant or the tenant's duly authorized representative or within 48 hours, exclusive of weekends and holidays, after written demand by the tenant or a duly authorized representative when the landlord, the landlord's agent or person acting under the landlord's direction or control has removed and stored the personal property in accordance with subdivision 1 in a location other than the premises, the tenant shall recover from the landlord ~~punitive damages in an amount not to exceed twice the actual damages or \$1,000, whichever is greater,~~ in addition to actual damages, actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney's attorney fees.

In determining the amount of punitive damages the court shall consider (1) the nature and value of the property; (2) the effect the deprivation of the property has had on the tenant; (3) if the landlord, an agent, or other person acting under the landlord's direction or control unlawfully took possession of the tenant's property; and (4) if the landlord, an agent, or other person under the landlord's direction or control acted in bad faith in failing to allow the tenant to retake possession of the property.

The provisions of this subdivision do not apply to personal property which has been sold or otherwise disposed of by the landlord in accordance with subdivision 1, or to landlords who are housing authorities, created, or authorized to be created by sections 469.001 to 469.047, and their agents and employees, in possession of a tenant's personal property, except that housing authorities must allow the tenant to retake possession of the property in accordance with this subdivision.

Sec. 33. **[504B.276] LIMITATION ON CLAIM PRECLUSION.**

A failure by a tenant to litigate an available claim or defense in any proceeding under sections 504B.281 to 504B.471 does not preclude the tenant from raising or litigating that claim or a claim arising out of the same transaction or occurrence in a separate proceeding.

Sec. 34. Minnesota Statutes 2022, section 504B.285, is amended by adding a subdivision to read:

Subd. 3a. **Damages.** The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of subdivisions 2 and 3.

Sec. 35. Minnesota Statutes 2022, section 504B.315, is amended to read:

504B.315 RESTRICTIONS ON EVICTION DUE TO FAMILIAL STATUS.

(a) As used in this section, "familial status" has the meaning given it in section 363A.03, subdivision 18.

(b) No residential tenant of residential premises may be evicted, denied a continuing tenancy, or denied a renewal of a lease on the basis of familial status commenced during the tenancy unless one year has elapsed from the commencement of the familial status and the landlord has given the tenant six months prior notice in writing, except in case of nonpayment of rent, damage to the premises, disturbance of other tenants, or other material breach of the lease.

(c) The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section. The remedy provided under this section is in addition to and shall not limit other rights or remedies available to tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Sec. 36. Minnesota Statutes 2023 Supplement, section 504B.375, subdivision 1, is amended to read:

Subdivision 1. **Unlawful exclusion or removal.** (a) This section applies to actual or constructive removal or exclusion of a residential tenant which may include the termination of utilities or the removal of doors, windows, or locks. A residential tenant to whom this section applies may recover possession of the premises as described in paragraphs (b) to (e).

(b) The residential tenant shall present a verified petition to the district court of the judicial district of the county in which the premises are located that:

(1) describes the premises and the landlord;

(2) specifically states the facts and grounds that demonstrate that the exclusion or removal was unlawful, including a statement that no writ of recovery of the premises and order to vacate has been issued under section 504B.345 in favor of the landlord and against the residential tenant and executed in accordance with section 504B.365; and

(3) asks for possession.

(c) If it clearly appears from the specific grounds and facts stated in the verified petition or by separate affidavit of the residential tenant or the residential tenant's attorney or agent that the exclusion or removal was unlawful, the court shall immediately order that the residential tenant have possession of the premises.

(d) The residential tenant shall furnish security, if any, that the court finds is appropriate under the circumstances for payment of all costs and damages the landlord may sustain if the order is subsequently found to have been obtained wrongfully. In determining the appropriateness of security, the court shall consider the residential tenant's ability to afford monetary security.

(e) The court shall direct the order to the sheriff of the county in which the premises are located and the sheriff shall execute the order immediately by making a demand for possession on the landlord, if found, or the landlord's agent or other person in charge of the premises. If the landlord fails to comply with the demand, the officer shall take whatever assistance may be necessary and immediately place the residential tenant in possession of the premises. If the landlord, the landlord's agent, or other person in control of the premises cannot be found and if there is no person in charge, the officer shall immediately enter into and place the residential tenant in possession of the premises. The officer shall also serve the order and verified petition or affidavit immediately upon the landlord or agent, in the same manner as a summons is required to be served in a civil action in district court.

(f) The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.

(g) Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

Sec. 37. Minnesota Statutes 2022, section 504B.391, subdivision 1, is amended to read:

Subdivision 1. **Noncompliance; fines and damages.** If the court finds that a landlord has willfully failed to comply with a court order to remedy a violation, the court shall fine the landlord and award damages to the tenant according to the following schedule:

- (1) \$250 fine and \$250 in damages for the first failure to comply;
- (2) \$500 fine and \$500 in damages for the second failure to comply with an order regarding the same violation; and
- (3) ~~\$750~~ \$1,000 fine and \$1,000 in damages for the third and each subsequent failure to comply with an order regarding the same violation.

Sec. 38. Minnesota Statutes 2022, section 504B.395, subdivision 1, is amended to read:

Subdivision 1. **Who may bring action.** An action may be brought in district court by:

(1) a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, is alleged to exist;

(2) any housing-related neighborhood organization with the written permission of a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, ~~clause (1) or (2),~~ is alleged to exist;

(3) a housing-related neighborhood organization that has within its geographical area an unoccupied residential building in which a violation, as defined in section 504B.001, subdivision 14, ~~clause (1) or (2)~~, is alleged to exist; or

(4) a state, county, or local department or authority, charged with the enforcement of codes relating to health, housing, or building maintenance.

Sec. 39. Minnesota Statutes 2022, section 504B.395, subdivision 4, is amended to read:

Subd. 4. **Landlord must be informed.** A landlord must be informed in writing of an alleged violation at least 14 days before an action is brought by:

(1) a residential tenant of a residential building in which a violation as defined in section 504B.001, subdivision 14, ~~clause (2) or (3)~~ clauses (2) to (5), is alleged to exist; or

(2) a housing-related neighborhood organization, with the written permission of a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, ~~clause (2)~~ clauses (2) to (5), is alleged to exist. The notice requirement may be waived if the court finds that the landlord cannot be located despite diligent efforts.

ARTICLE 6 DISCRIMINATION POLICY

Section 1. **[504B.505] DISCRIMINATION; HOUSING ASSISTANCE.**

(a) A landlord must not discriminate against a tenant based on the tenant's use of federal, state, or local government rental assistance; a housing choice voucher program; or another form of public assistance that helps a tenant pay rent. A landlord must not deny a tenant or prospective tenant a viewing or application for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant or prospective tenant who uses rental assistance or a housing choice voucher. A landlord cannot advertise that they will not rent to a tenant who uses rental assistance or a housing choice voucher program.

(b) A violation of this section is an unfair discriminatory practice under section 363A.09, and an individual has all the rights and remedies available under chapter 363A for discrimination that occurs in violation of this section."

Delete the title and insert:

"A bill for an act relating to housing; amending provisions relating to residential housing leases; providing for landlord and tenant rights and obligations; providing for tenant screening; providing for tenant associations; prohibiting discrimination based on housing assistance; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, subdivisions 5, 14, by adding subdivisions; 504B.101; 504B.111; 504B.115, subdivision 1; 504B.116; 504B.118; 504B.131; 504B.141; 504B.145; 504B.151, subdivision 1; 504B.161, subdivisions 2, 4, by adding subdivisions; 504B.173, subdivision 4, by adding a subdivision; 504B.175, subdivision 4; 504B.177; 504B.178, subdivision 7; 504B.181, by adding a subdivision; 504B.185, subdivision 2, by adding a subdivision; 504B.195, subdivisions 1, 5, by adding a subdivision; 504B.204; 504B.205, subdivisions 2, 3, 5, 6; 504B.206, subdivisions 1, 2, 3, 6; 504B.231; 504B.241, subdivision 4; 504B.245; 504B.265, by adding a subdivision; 504B.271, subdivision 2; 504B.285, subdivision 1, by adding a subdivision; 504B.315; 504B.391, subdivision 1; 504B.395, subdivisions 1, 4; Minnesota Statutes 2023 Supplement, sections 484.014, subdivision 3; 504B.144; 504B.161, subdivision 1; 504B.266, subdivision 2; 504B.268, subdivision 1; 504B.331; 504B.345, subdivision 1; 504B.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B."

The motion prevailed and the amendment was adopted.

Nash moved that S. F. No. 3492, as amended, be re-referred to the Committee on Ways and Means.

A roll call was requested and properly seconded.

The question was taken on the Nash motion and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	McDonald	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	

The motion did not prevail.

Agbaje moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 2, line 14, delete "504B.206, subdivision 3a" and insert "504B.285, subdivision 1, paragraph (b)"

Page 2, after line 21, insert:

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

Page 4, delete section 6

Page 5, after line 17, insert:

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

Page 6, after line 23, insert:

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

Page 8, after line 4, insert:

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

Page 9, delete section 14 and insert:

"Sec. 14. **[504B.332] SUMMONS AND COMPLAINT; HOW SERVED.**

Subdivision 1. **Definition.** For purposes of this section, "plaintiff" includes the plaintiff's attorney, employees of the plaintiff's attorney, or any other agent of the plaintiff.

Subd. 2. **Generally.** (a) The summons and complaint must be served at least seven days before the date of the court appearance specified in section 504B.321, in the manner provided in subdivision 3 or 4.

(b) If the plaintiff regularly uses electronic written communication to communicate with the defendant, the plaintiff must make a good faith attempt to communicate to the defendant that an eviction hearing has been scheduled at least seven days before the date of the court appearance specified in section 504B.321. This requirement is in addition to completing service in the manner provided in subdivision 3 or 4. The communication must have a time and date stamp, and include the date, time, and place of the hearing specified in the summons. The communication must be delivered by means of electronic written communication that the plaintiff regularly uses to communicate with the defendant or to the last known electronic address the plaintiff has used to communicate with the defendant, unless the parties do not communicate via any form of electronic written communication. The plaintiff must substantially comply with this paragraph.

Subd. 3. **Personal or substitute service.** (a) If the defendant can be found in the county, the summons and complaint must be served in the manner provided for service of a civil action in district court.

(b) If the defendant cannot be found in the county, the summons and complaint may be served at least seven days before the date of the court appearance by:

(1) leaving a copy of the summons and complaint at the defendant's last usual place of abode with a person of suitable age and discretion residing there; or

(2) if the defendant had no place of abode, by leaving a copy of the summons and complaint at the property described in the complaint with a person of suitable age and discretion occupying the premises.

(c) At least three days before the date of the court appearance specified in section 504B.321, the plaintiff must file with the court an affidavit of personal or substitute service.

Subd. 4. **Service by mail and posting.** (a) If attempts at personal or substitute service are unsuccessful, service of the summons and complaint may be made by mail and posting.

(b) If service by mail and posting is used, the following steps must occur no later than seven days before the date of the court appearance specified in section 504B.321:

(1) the plaintiff must mail a copy of the summons and complaint to the defendant at the defendant's last known address;

(2) for residential evictions only, there must be at least two attempts at personal service. The personal service attempts must occur on different days at the last known address of the defendant and be done in the manner provided for service of a summons and complaint in a civil action in district court. At least one of the attempts must be made between the hours of 6:00 p.m. and 10:00 p.m. Failure to serve the defendant, after the plaintiff complies with this paragraph, is prima facie proof that attempts at personal or substitute service were unsuccessful and that the defendant cannot be found in the county;

(3) the summons and complaint must be posted on the entry to the defendant's individual unit. If the defendant occupies a multiunit building, the summons and complaint must be posted on the door of the defendant's individual unit; and

(4) at least three days before the date of the court appearance specified in section 504B.321, the plaintiff must file with the court affidavits stating:

(i) the defendant cannot be found in the county, or that the plaintiff believes that the defendant is not in the state;

(ii) a copy of the summons and complaint has been mailed to the defendant at the defendant's last known address at least seven days before the date of the court appearance specified in section 504B.321;

(iii) compliance with subdivision 2, paragraph (b), by providing the date and manner by which the plaintiff attempted to communicate to the defendant in compliance with subdivision 2, paragraph (b), or stating that the plaintiff does not use electronic written communication to regularly communicate with the defendant and does not have an electronic address for the defendant;

(iv) if applicable, how the requirements of clause (2) were met, including the dates and times of the attempts at service; and

(v) the date and time the summons and complaint were posted on the entry to the defendant's individual unit.

Subd. 5. **Failure to appear.** If the defendant or the defendant's attorney does not appear in court on the date of the appearance, the trial shall proceed.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all summons and complaints served on or after that date."

Page 13, line 4, delete everything after "effective" and insert "the day following final enactment."

Page 13, delete line 5

Page 19, line 15, delete "noncommercial" and insert "tenant organizing"

Page 25, line 19, delete "as advertised or promised"

Page 25, line 20, delete the new language

Page 26, line 23, before "If" insert "(a)"

Page 26, line 31, after the semicolon, insert "or"

Page 27, line 4, delete the semicolon and insert a period

Page 27, delete lines 5 to 13 and insert:

"(b) When a landlord is in violation of this section, a tenant shall also be entitled to the following relief, in addition to the relief available in paragraph (a):

(1) actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section;

(2) correction of the violations by the landlord;

(3) at the tenant's option, full rescission of the lease and recovery of any damage deposit, less any amount retained under section 504B.178;

(4) costs, disbursements, and reasonable attorney fees related to enforcement of this section; and

(5) at the tenant's option, collection of awards under this subdivision as a credit against current and future rents from the landlord."

Page 30, delete section 29

Page 32, delete section 34

Page 35, after line 10, insert:

"Sec. 40. **[504B.501] ATTORNEY GENERAL ENFORCEMENT.**

The attorney general has authority under section 8.31 to investigate and prosecute violations of this chapter."

Page 35, line 16, before the period, insert "; or refuse to rent to a tenant because the landlord may be responsible for meeting the terms and conditions of a public assistance program"

Page 35, line 22, delete "for" and insert a period

Page 35, delete line 23

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

POINT OF ORDER

Nash raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Agbaje amendment was not in order. Speaker pro tempore Her ruled the point of order not well taken and the Agbaje amendment in order.

Nash appealed the decision of Speaker pro tempore Her.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Her stand as the judgment of the House?" and the roll was called. There were 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virinig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Davis	Hudella	McDonald	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zeleznikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	

So it was the judgment of the House that the decision of Speaker pro tempore Her should stand.

The question recurred on the Agbaje amendment to S. F. No. 3492, the third engrossment, as amended. The motion prevailed and the amendment was adopted.

Dotseth moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Pages 13 to 15, delete sections 2 to 5

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dotseth amendment and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	McDonald	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Dotseth moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 16, delete section 2

Amend the title accordingly

A roll call was requested and properly seconded.

Anderson, P. E., was excused for the remainder of today's session.

The question was taken on the Dotseth amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Bakeberg	Bliss	Davids	Dotseth	Franson
Anderson, P. H.	Baker	Burkel	Davis	Engen	Garofalo
Backer	Bennett	Daniels	Demuth	Fogelman	Gillman

Grossell	Joy	Mueller	O'Driscoll	Schomacker	Wiens
Harder	Kiel	Murphy	Olson, B.	Schultz	Witte
Heintzeman	Knudsen	Myers	Perryman	Scott	Zeleznikar
Hudella	Koznick	Nadeau	Petersburg	Skraba	
Hudson	Kresha	Nash	Pfarr	Swedzinski	
Igo	Lawrence	Nelson, N.	Quam	Torkelson	
Jacob	McDonald	Niska	Rarick	West	
Johnson	Mekeland	Novotny	Robbins	Wiener	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Nash moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 18, line 16, delete "or another"

Page 18, line 25, delete "and tenant organizers"

Page 19, line 6, after the period, insert "A tenant association operating on behalf of a multiunit building must have the support of more than half of the tenants in the building."

Page 19, delete lines 11 and 12

Page 19, line 13, delete "(e)" and insert "(d)" and delete the second "or"

Page 19, line 14, delete "nonresident tenant organizers"

Page 19, line 16, delete "and tenant organizers"

A roll call was requested and properly seconded.

The question was taken on the Nash amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	
Davis	Hudella	McDonald	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Myers moved to amend S. F. No. 3492, the third engrossment, as amended.

Myers requested a division of the Myers amendment to S. F. No. 3492, the third engrossment, as amended.

Myers further requested that the second portion of the divided Myers amendment be voted on first.

The second portion of the Myers amendment to S. F. No. 3492, the third engrossment, as amended, reads as follows:

Page 35, after line 10, insert:

"Sec. 40. **PUBLIC POLICY; HOUSING PROVIDERS.**

The state of Minnesota recognizes:

(1) the impact of regulations on housing providers. Minnesota's regulatory demands and compliance obligations are placing a heavy financial burden on housing providers. While these regulations are designed to ensure safety and quality standards, they often lead to inflated construction costs, operational expenses, and administrative challenges. The cumulative result is a significant increase in housing costs, which are ultimately transferred to tenants through higher rents;

(2) the disproportionate burden of regulations on small-scale housing providers. The legislature acknowledges that small-scale housing providers, including individual housing providers and community-based organizations, bear a disproportionate burden of regulatory compliance costs. These providers often lack the resources and economies of scale to absorb the financial impact of regulations, leading to increased operating expenses and, consequently, higher rental prices;

(3) the broader economic implications of burdensome regulations and excessive fees and fines on housing providers. Excessive costs hinder the development of new housing units and deter investment in improving existing properties. This housing supply stagnation exacerbates affordability challenges and stifles economic growth and innovation in the housing sector; and

(4) the impact of the COVID-19 pandemic on housing providers. The legislature acknowledges the unprecedented challenges faced by housing providers in Minnesota during the COVID-19 pandemic. Measures such as eviction moratoriums and rent freezes placed additional strains on housing providers, particularly small-scale providers. These measures disrupted rental income streams, strained financial resources, and hindered the ability of housing providers to meet their operational expenses and mortgage obligations. As a result, many housing providers have faced financial instability, foreclosure risks, and the inability to maintain or improve their properties, further exacerbating the affordability crisis and compromising housing quality for tenants. The legislature recognizes the need to address the unique challenges faced by housing providers."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the second portion of the Myers amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	
Davis	Hudella	McDonald	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Carroll	Feist	Greenman	Hill	Keeler
Agbaje	Cha	Finke	Hansen, R.	Hollins	Klevorn
Bahner	Clardy	Fischer	Hanson, J.	Hornstein	Koegel
Becker-Finn	Coulter	Frazier	Hassan	Howard	Kotzya-Witthuhn
Berg	Curran	Frederick	Hemmingsen-Jaeger	Huot	Kozlowski
Bierman	Edelson	Freiberg	Her	Hussein	Kraft
Brand	Elkins	Gomez	Hicks	Jordan	Lee, F.

Lee, K.	Moller	Pelowski	Rehm	Tabke	Youakim
Liebling	Nelson, M.	Pérez-Vega	Reyer	Vang	Spk. Hortman
Lillie	Noor	Pinto	Sencer-Mura	Virnig	
Lislegard	Norris	Pryor	Smith	Wolgamott	
Long	Olson, L.	Pursell	Stephenson	Xiong	

The motion did not prevail and the second portion of the Myers amendment was not adopted.

Myers withdrew the first portion of the Myers amendment to S. F. No. 3492, the third engrossment, as amended.

Johnson moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 35, delete article 6

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Johnson moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 35, line 14, after "(a)" insert "When a landlord is currently accepting federal, state, or local government rental assistance from a unit in a residential building, then"

Page 35, line 19, before the period, insert "when a landlord is currently accepting federal, state, or local government rental assistance from a unit in a residential building"

Page 35, line 20, before the period, insert "when a landlord is currently accepting federal, state, or local government rental assistance from a unit in a residential building"

The motion did not prevail and the amendment was not adopted.

Pelowski was excused for the remainder of today's session.

Petersburg moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 35, line 20, after the period, insert "When the cost of meeting the terms and conditions in the public assistance, rental subsidy, or housing voucher programs would impose undue financial or administrative burdens on a landlord, a violation under this section may not be found and no discrimination under section 363A.09 has occurred."

A roll call was requested and properly seconded.

The question was taken on the Petersburg amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	
Davis	Hudella	McDonald	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Virnig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Lislegard	Reyer	
Coulter	Hansen, R.	Jordan	Long	Sencer-Mura	
Curran	Hanson, J.	Keeler	Moller	Smith	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Koznick moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 9, after line 27, insert:

"Sec. 14. Minnesota Statutes 2023 Supplement, section 504B.301, is amended to read:

504B.301 EVICTION ACTION FOR UNLAWFUL DETENTION; TRESPASS.

(a) A person may be evicted if the person has unlawfully or forcibly occupied or taken possession of real property or unlawfully detains or retains possession of real property.

(b) An individual who is not renting a residential rental unit, and who is not on the lease and does not have a contract or sublease to reside in the rental unit, does not need to be evicted to be removed from a property or dwelling. An individual may be removed for trespass, or arrested for trespass consistent with section 609.605, if the individual:

(1) does not have a signed lease for the residential rental unit, or the individual does not have a current or valid contract or sublease for that residential rental unit;

(2) has been given notice by the tenant or property owner that they are not invited to visit or remain in the residential rental unit; and

(3) does not have the explicit permission of the tenant or property owner to be in the residence."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Koznick amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	
Davis	Hudella	McDonald	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vimig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Lislegard	Reyer	
Coulter	Hansen, R.	Jordan	Long	Sencer-Mura	
Curran	Hanson, J.	Keeler	Moller	Smith	

The motion did not prevail and the amendment was not adopted.

Franson moved to amend S. F. No. 3492, the third engrossment, as amended, as follows:

Page 13, line 15, before the period, insert ", or denying an applicant for failing to provide proof of legal immigration status to the landlord"

Agbaje moved to amend the Franson amendment to S. F. No. 3492, the third engrossment, as amended, as follows:

Page 1, line 3, delete "proof of legal immigration status" and insert "all legally required information"

A roll call was requested and properly seconded.

The question was taken on the Agbaje amendment to the Franson amendment and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Virnig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Lislegard	Reyer	
Coulter	Hansen, R.	Jordan	Long	Sencer-Mura	
Curran	Hanson, J.	Keeler	Moller	Smith	

Those who voted in the negative were:

Altendorf	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	
Davis	Hudella	McDonald	Olson, B.	Swedzinski	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Franson amendment, as amended, to S. F. No. 3492, the third engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

S. F. No. 3492, A bill for an act relating to housing; amending provisions relating to residential housing leases; amending landlord and tenant rights and obligations; providing for tenant associations; amending provisions relating to residential housing evictions; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, by adding subdivisions; 504B.113, subdivision 3; 504B.177; 504B.205, subdivisions 2, 3; 504B.206, subdivisions 1, 2, 3, 6; 504B.285, subdivision 1; 504B.385, subdivision 2; Minnesota Statutes 2023 Supplement, sections 484.014, subdivision 3; 504B.144; 504B.268, subdivision 1; 504B.345, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B; repealing Minnesota Statutes 2023 Supplement, section 504B.331.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vimig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Lislegard	Reyer	
Coulter	Hansen, R.	Jordan	Long	Sencer-Mura	
Curran	Hanson, J.	Keeler	Moller	Smith	

Those who voted in the negative were:

Altendorf	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Mueller	Petersburg	West
Backer	Engen	Jacob	Murphy	Pfarr	Wiener
Bakeberg	Fogelman	Johnson	Myers	Quam	Wiens
Baker	Franson	Joy	Nadeau	Rarick	Witte
Bennett	Garofalo	Kiel	Nash	Robbins	Zelevnikar
Bliss	Gillman	Knudsen	Nelson, N.	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	
Davis	Hudella	McDonald	Olson, B.	Swedzinski	

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3925, A bill for an act relating to real property; providing for property insurance for grantee beneficiaries of transfer on death deeds; making technical, clarifying, and conforming changes to transfer on death deeds; amending Minnesota Statutes 2022, section 507.071; proposing coding for new law in Minnesota Statutes, chapter 507.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 4024, A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including student sexual misconduct, student aid, student supports, and institutional registration and contract provisions; modifying allowable uses for appropriations; requiring reports; amending Minnesota Statutes 2022, sections 135A.15, subdivisions 1a, 2, 6, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; Laws 2023, chapter 41, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7.

The Senate has appointed as such committee:

Senators Fateh, Putnam, and Duckworth.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 4772, A bill for an act relating to elections; providing for policy and technical changes to elections and campaign finance provisions, including elections administration, campaign finance and lobbying, and census and redistricting; establishing the Minnesota Voting Rights Act; modifying the crime of using deep fakes to influence

elections; requiring reports; amending Minnesota Statutes 2022, sections 10A.01, subdivision 33, by adding a subdivision; 123B.09, subdivision 5b; 201.071, subdivision 3; 204B.175; 204C.06, subdivision 1, by adding a subdivision; 204C.19, subdivision 3; 204C.20, subdivision 1, by adding a subdivision; 204C.33, subdivision 1; 204C.35, subdivisions 1, 2, by adding a subdivision; 204C.36, subdivisions 2, 3; 205.16, subdivisions 4, 5; 205A.05, subdivision 3; 205A.07, subdivisions 3, 3b; 205A.11, subdivision 2; 206.89, subdivisions 2, 3, 5, 6; 208.06; 208.44; 208.47; 211B.17, subdivision 1; 211B.18; 375.08; 412.02, subdivision 6, by adding a subdivision; 447.32, subdivision 3; Minnesota Statutes 2023 Supplement, sections 2.92, subdivision 4; 10A.01, subdivision 21; 10A.201, subdivisions 3, 4, 6, 9; 10A.202, subdivision 1; 200.02, subdivision 7; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 201.1611, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 3; 203B.081, subdivision 4; 204B.09, subdivision 3; 204B.16, subdivision 1; 204B.295, subdivisions 1, 2, 3, by adding a subdivision; 204C.24, subdivision 1; 204C.33, subdivision 3; 205.16, subdivision 2; 206.61, subdivision 1; 609.771, subdivisions 2, 3, 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 2; 200; 241; 375; repealing Minnesota Statutes 2022, section 383B.031; Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 11.

THOMAS S. BOTTERN, Secretary of the Senate

Freiberg moved that the House refuse to concur in the Senate amendments to H. F. No. 4772, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 4097, A bill for an act relating to commerce; adding and modifying various provisions related to insurance; regulating financial institutions; modifying provisions governing financial institutions; providing for certain consumer protections and privacy; modifying provisions governing commerce; making technical changes; establishing civil and criminal penalties; authorizing administrative rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision; 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24; 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2; 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement, sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2, sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 65A; 325F; 325G; 332; 507; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Klein, Seeberger, Frentz, Dahms, and Rasmusson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

THOMAS S. BOTTERN, Secretary of the Senate

Stephenson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 4097. The motion prevailed.

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 4399, A bill for an act relating to human services; modifying and establishing laws regarding disability services, aging services, and substance use disorder treatment services; modifying assisted living facility licensing standards; modernizing language in Deaf and Hard-of-Hearing Services Act; expanding application of bloodborne pathogen testing to nonsecure direct care and treatment programming; making technical corrections and repealing obsolete language; limiting rent increases in certain low-income rental projects receiving low-income housing tax credits; amending Minnesota Statutes 2022, sections 144A.20, subdivision 4; 144G.30, subdivision 5; 144G.45, subdivision 3; 148F.025, subdivision 2; 245A.11, subdivision 2; 245D.071, subdivisions 3, 4; 245D.081, subdivisions 2, 3; 245D.09, subdivision 3; 245D.091, subdivisions 3, 4; 245D.10, subdivision 1; 245F.02, subdivisions 17, 21; 245F.08, subdivision 3; 245F.15, subdivision 7; 245G.031, subdivision 2; 245G.04, by adding a subdivision; 245G.22, subdivision 6; 246.71, subdivisions 3, 4, 5; 246.711; 246.712, subdivisions 1, 2; 246.713; 246.714; 246.715, subdivisions 1, 2, 3; 246.716, subdivisions 1, 2, as amended; 246.717; 246.721, as amended; 246.722; 254A.03, subdivision 1; 256.975, subdivision 7e; 256B.0659, subdivision 17a; 256B.0759, subdivision 4; 256B.0911, subdivision 24; 256B.092, by adding a subdivision; 256B.49, by adding a subdivision; 256B.4905, subdivision 12; 256B.69, subdivision 5k, by adding a subdivision; 256B.85, subdivisions 2, 6, 6a, 7a, 11, 17, 20, by adding a subdivision; 256C.21; 256C.23, subdivisions 1a, 2, 2a, 2b, 2c, 6, 7, by adding a subdivision; 256C.233, subdivisions 1, 2; 256C.24, subdivisions 1, 2, 3; 256C.26; 256C.261; 256C.28, subdivision 1; 256R.08, subdivision 1, by adding a subdivision; 256S.205, subdivision 5, by adding a subdivision; 402A.16, subdivision 2; Minnesota Statutes 2023 Supplement, sections 245G.05, subdivision 3; 245G.09, subdivision 3; 245G.11, subdivision 10; 245G.22, subdivisions 2, 17; 254A.19, subdivision 3; 254B.04, subdivision 6, by adding a subdivision; 254B.05, subdivisions 1, 5; 254B.181, subdivision 1; 254B.19, subdivision 1; 256B.057, subdivision 9; 256B.0659, subdivision 24; 256B.0759, subdivision 2; 256B.4914, subdivisions 4, 10, 10a; 256B.85, subdivision 13a; Laws 2021, First Special Session chapter 7, article 11, section 38, as amended; article 13, section 75; Laws 2023, chapter 61, article 8, section 13, subdivision 2; repealing Minnesota Statutes 2022, sections 245G.011, subdivision 5; 245G.22, subdivisions 4, 7; 252.34; 256.01, subdivision 39; 256.975, subdivisions 7f, 7g; 256R.18.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Hoffman, Mann, and Utke.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

THOMAS S. BOTTERN, Secretary of the Senate

Fischer moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 4399. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3204.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3204, A bill for an act relating to state government; public employees insurance program modifications; amending Minnesota Statutes 2022, section 43A.316, subdivision 5.

The bill was read for the first time.

Olson, L., moved that S. F. No. 3204 and H. F. No. 3182, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT 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 24, 2024, and established a prefiling requirement for amendments offered to the following bills:

S. F. No. 4579; and H. F. Nos. 4661, 3800, 3204, 2895 and 3304.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 4772:

Freiberg, Greenman and Virnig.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 4097:

Stephenson, Kotyza-Witthuhn, Kraft, Cha and O'Driscoll.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 4399:

Fischer, Frederick and Baker.

MOTIONS AND RESOLUTIONS

Her moved that the name of Sencer-Mura be added as an author on H. F. No. 173. The motion prevailed.

Nelson, N., moved that the name of Backer be added as an author on H. F. No. 304. The motion prevailed.

Her moved that the name of Lee, K., be added as an author on H. F. No. 601. The motion prevailed.

Pinto moved that the name of Youakim be added as an author on H. F. No. 973. The motion prevailed.

Hollins moved that the name of Pryor be added as an author on H. F. No. 1064. The motion prevailed.

Mekeland moved that the name of Backer be added as an author on H. F. No. 1591. The motion prevailed.

Robbins moved that the name of Scott be added as an author on H. F. No. 1745. The motion prevailed.

Hudson moved that the name of Backer be added as an author on H. F. No. 2221. The motion prevailed.

Hudson moved that the name of Backer be added as an author on H. F. No. 2224. The motion prevailed.

Hanson, J., moved that the name of Freiberg be added as an author on H. F. No. 2513. The motion prevailed.

Niska moved that the name of Backer be added as an author on H. F. No. 2549. The motion prevailed.

Norris moved that the names of Freiberg and Xiong be added as authors on H. F. No. 2614. The motion prevailed.

Sencer-Mura moved that the name of Hicks be added as an author on H. F. No. 2881. The motion prevailed.

Niska moved that the name of Backer be added as an author on H. F. No. 2996. The motion prevailed.

Moller moved that the name of Becker-Finn be added as an author on H. F. No. 3204. The motion prevailed.

Reyer moved that the name of Feist be added as an author on H. F. No. 3324. The motion prevailed.

Berg moved that the name of Smith be added as an author on H. F. No. 3446. The motion prevailed.

Brand moved that the names of Wiens and Zeleznikar be added as authors on H. F. No. 3451. The motion prevailed.

Feist moved that the names of Agbaje and Hicks be added as authors on H. F. No. 3458. The motion prevailed.

Knudsen moved that the name of Harder be added as an author on H. F. No. 3503. The motion prevailed.

Knudsen moved that the name of Harder be added as an author on H. F. No. 3505. The motion prevailed.

Hollins moved that the name of Feist be added as an author on H. F. No. 3567. The motion prevailed.

Finke moved that the name of Freiberg be added as an author on H. F. No. 3570. The motion prevailed.

Clardy moved that the name of Freiberg be added as an author on H. F. No. 3575. The motion prevailed.

Pérez-Vega moved that the name of Freiberg be added as an author on H. F. No. 3628. The motion prevailed.

Edelson moved that the name of Freiberg be added as an author on H. F. No. 3726. The motion prevailed.

Norris moved that the names of Pursell and Kraft be added as authors on H. F. No. 3800. The motion prevailed.

Agbaje moved that the name of Kraft be added as an author on H. F. No. 3843. The motion prevailed.

Urdahl moved that the names of Her and Backer be added as authors on H. F. No. 3924. The motion prevailed.

Nelson, M., moved that the name of Huot be added as an author on H. F. No. 3943. The motion prevailed.

Lislegard moved that the name of Wiens be added as an author on H. F. No. 3992. The motion prevailed.

Hemmingsen-Jaeger moved that the name of Sencer-Mura be added as an author on H. F. No. 4150. The motion prevailed.

Norris moved that the name of Freiberg be added as an author on H. F. No. 4259. The motion prevailed.

Becker-Finn moved that the names of Lee, K., and Her be added as authors on H. F. No. 4300. The motion prevailed.

Bierman moved that the name of Freiberg be added as an author on H. F. No. 4318. The motion prevailed.

Robbins moved that the name of Scott be added as an author on H. F. No. 4364. The motion prevailed.

Frazier moved that the name of Smith be added as an author on H. F. No. 4373. The motion prevailed.

Wolgamott moved that the name of Robbins be added as an author on H. F. No. 4493. The motion prevailed.

Hollins moved that the name of Gomez be added as an author on H. F. No. 4558. The motion prevailed.

Klevorn moved that the name of Smith be added as an author on H. F. No. 4593. The motion prevailed.

Cha moved that the names of Freiberg and Xiong be added as authors on H. F. No. 4620. The motion prevailed.

Cha moved that the name of Kraft be added as an author on H. F. No. 4790. The motion prevailed.

Cha moved that the name of Kraft be added as an author on H. F. No. 4821. The motion prevailed.

Feist moved that the name of Fischer be added as an author on H. F. No. 4944. The motion prevailed.

Zelevnikar moved that the name of Frazier be added as an author on H. F. No. 4962. The motion prevailed.

Agbaje moved that the names of Frazier, Jordan, Feist, Lislegard and Vang be added as authors on H. F. No. 4977. The motion prevailed.

Long moved that the name of Wolgamott be added as an author on H. F. No. 4984. The motion prevailed.

Kresha moved that the names of Garofalo and Bakeberg be added as authors on H. F. No. 5123. The motion prevailed.

Nelson, M., moved that the name of Frazier be added as an author on H. F. No. 5143. The motion prevailed.

Keeler moved that the name of Kraft be added as an author on H. F. No. 5200. The motion prevailed.

Norris moved that the name of Niska be added as an author on H. F. No. 5207. The motion prevailed.

Youakim moved that the name of Pinto be added as an author on H. F. No. 5237. The motion prevailed.

Hassan moved that the names of Hussein and Sencer-Mura be added as authors on H. F. No. 5244. The motion prevailed.

Becker-Finn moved that the name of Curran be added as an author on H. F. No. 5245. The motion prevailed.

Zelevnikar moved that the name of Dotseth be added as an author on H. F. No. 5255. The motion prevailed.

Lee, F., moved that the name of Hansen, R., be added as an author on H. F. No. 5287. The motion prevailed.

Hussein moved that the name of Norris be added as an author on H. F. No. 5377. The motion prevailed.

Lee, F., moved that the name of Hansen, R., be added as an author on H. F. No. 5384. The motion prevailed.

Hassan moved that H. F. No. 4719 be returned to its author. The motion prevailed.

Hassan moved that H. F. No. 5243 be returned to its author. The motion prevailed.

REQUEST PURSUANT TO RULE 4.31

Pursuant to rule 4.31, Niska gave notice that Niska is requesting the return to the House of H. F. No. 3926 from the Committee on Judiciary Finance and Civil Law.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, April 24, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, April 24, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

