

STATE OF MINNESOTA

# Journal of the House

NINETY-THIRD SESSION — 2024

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ONE HUNDRED SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 29, 2024

The House of Representatives convened at 11:00 a.m. and was called to order by Dean Urdahl, Speaker pro tempore.

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

A quorum was present.

Daniels, Kiel and Kozlowski were excused.

Keeler was excused until 3:05 p.m.

Speaker pro tempore Urdahl called Her to the Chair.

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.

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## REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 3431, A bill for an act relating to state government; specifying administrative courts and work product data; modifying the Administrative Procedure Act; modifying certain salaries of employees of the Office of Administrative Hearings; requiring certain grantees to establish a capital project replacement fund; making technical changes to Department of Administration, Department of Information Technology Services, and state personnel management provisions; establishing a state building renewable energy, storage, and electric vehicle account; changing a reporting date for report of uncollectible debts; requiring reports of cybersecurity incidents; changing provisions for campaign practices complaints, cemeteries, certain licensed employment, Uniform Commercial Code, and notaries public; designating use of certain State Capitol space; modifying provisions for Hennepin County and Metropolitan Council; allowing Anoka County to build a jail and criminal justice center; assessing penalties; requiring reports; transferring money from the general fund to the healthy and sustainable food options account; canceling certain funds; appropriating money; amending Minnesota Statutes 2022, sections 14.05, subdivision 7; 14.08; 14.16, subdivision 3; 14.26, subdivision 3a; 14.386; 14.388, subdivision 2; 14.3895, subdivisions 2, 6; 14.48, subdivision 2; 14.62, subdivision 2a; 15.994; 15A.083, subdivision 6a; 16B.055, subdivision 1; 16B.48, subdivision 4; 16B.54, subdivision 2; 16B.97, subdivision 1; 16B.98, subdivision 1; 16C.137, subdivision 2; 16D.09, subdivision 1; 16E.01, subdivision 2; 16E.03, subdivisions 3, 4, 5, 7; 16E.04, subdivisions 2, 3; 16E.07; 43A.316, subdivision 5; 211B.33, subdivision 2; 211B.34, subdivisions 1, 2; 211B.35, subdivisions 1, 3; 299E.01, subdivision 2; 326.10, subdivision 8; 326A.04, subdivision 4; 336.1-110; 358.645, subdivision 2; 358.71; 359.01, subdivision 5; 359.03, subdivision 3; 383B.145, subdivision 5; Minnesota Statutes 2023 Supplement, sections 10.65, subdivision 2; 16E.01, subdivision 3; 16E.03, subdivision 2; 307.08, subdivision 3a; 473.145; Laws 2023, chapter 62, article 1, section 11, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapters 13; 14; 16B; 16E; repealing Minnesota Statutes 2022, sections 16E.035; 16E.0465, subdivisions 1, 2; 16E.055; 16E.20; 127A.095, subdivision 3; 211B.06; 471.9998; Laws 1979, chapter 189, sections 1; 2, as amended; 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

### "ARTICLE 1 STATE GOVERNMENT APPROPRIATIONS

Section 1. Laws 2023, chapter 62, article 1, section 11, subdivision 2, is amended to read:

<b>Subd. 2. Government and Citizen Services</b>	39,928,000	19,943,000
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The base for this appropriation is \$17,268,000 in fiscal year 2026 and \$17,280,000 in fiscal year 2027.

**Council on Developmental Disabilities.** \$222,000 each year is for the Council on Developmental Disabilities.

**State Agency Accommodation Reimbursement.** \$200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

**Disparity Study.** \$500,000 the first year and \$1,000,000 the second year are to conduct a study on disparities in state procurement. This is a onetime appropriation.

**Grants Administration Oversight.** \$2,411,000 the first year and \$1,782,000 the second year are for grants administration oversight. The base for this appropriation in fiscal year 2026 and each year thereafter is \$1,581,000.

Of this amount. \$735,000 the first year and \$201,000 the second year are for a study to develop a road map on the need for an enterprise grants management system and to implement the study's recommendation. This is a onetime appropriation.

**Risk Management Fund Property Self-Insurance.** \$12,500,000 the first year is for transfer to the risk management fund under Minnesota Statutes, section 16B.85. This is a onetime appropriation.

**Office of Enterprise Translations.** \$1,306,000 the first year and \$1,159,000 the second year are to establish the Office of Enterprise Translations. \$250,000 each year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

**Capitol Mall Design Framework Implementation.** \$5,000,000 the first year is to implement the updated Capitol Mall Design Framework, prioritizing the framework plans identified in article 2, section 124. This appropriation is available until December 31, 2024.

**Parking Fund.** \$3,255,000 the first year and \$1,085,000 the second year are for a transfer to the state parking account to maintain the operations of the parking and transit program on the Capitol complex. These are onetime transfers.

**Procurement; Environmental Analysis and Task Force.** \$522,000 the first year and \$367,000 the second year are to implement the provisions of Minnesota Statutes, section 16B.312.

**Center for Rural Policy and Development.** \$100,000 the first year is for a grant to the Center for Rural Policy and Development.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

Sec. 2. Laws 2023, chapter 62, article 1, section 11, subdivision 4, is amended to read:

Subd. 4. <b>Fiscal Agent</b>	31,121,000	23,833,000
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The base for this appropriation is \$15,833,000 in fiscal year 2026 and each fiscal year thereafter.

The appropriations under this section are to the commissioner of administration for the purposes specified.

**In-Lieu of Rent.** \$11,129,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

**Public Television.** (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) \$500,000 each year is for block grants to public television under Minnesota Statutes, section 129D.13. Of this amount, up to three percent is for the commissioner of administration to administer the grants. ~~This is a onetime appropriation.~~

(d) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

**Public Radio.** (a) \$2,392,000 the first year and \$1,242,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. The association of Minnesota Public Educational Radio Stations may use up to four percent of this appropriation to help the organization and its member stations to better serve Minnesota's communities.

(b) \$142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(c) \$850,000 the first year is for grants to the Association of Minnesota Public Educational Radio Stations for the purchase of emergency equipment and increased cybersecurity and broadcast technology. The Association of Minnesota Public Educational Radio Stations may use up to four percent of this appropriation ~~for costs that are directly related to and necessary for the administration of these grants~~ to help the organization and its member stations to enhance cybersecurity, broadcast technology, and emergency services.

(d) \$1,288,000 the first year is for a grant to the Association of Minnesota Public Educational Radio Stations to provide a diverse community radio news service. Of this amount, up to \$38,000 is

for the commissioner of administration to administer this grant. This is a onetime appropriation and is available until June 30, 2027.

(e) \$1,020,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(f) The appropriations in paragraphs (a) to (e) may not be used for indirect costs claimed by an institution or governing body.

(g) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) to (c). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2023.

(h) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

**Real Estate and Construction Services.** \$12,000,000 the first year and \$8,000,000 the second year are to facilitate space consolidation and the transition to a hybrid work environment, including but not limited to the design, remodel, equipping, and furnishing of the space. This appropriation may also be used for relocation and rent loss. This is a onetime appropriation and is available until June 30, 2027.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

Sec. 3. **CAPITOL AREA COMMUNITY VITALITY ACCOUNT.**

(a) Consistent with the program and oversight plan approved by the Capitol Area Architectural and Planning Board, the commissioner of administration must expend money from the Capitol Area community vitality account as follows:

(1) \$4,800,000 must be for a grant to the city of St. Paul, Department of Planning and Economic Development. The city must use this amount to make subgrants through the community vitality grant program, and to support the Community Voices Initiative. The city may retain amounts for grants administration and oversight, up to the maximum permitted to be retained by a state agency under Minnesota Statutes, section 16B.98, subdivision 14; and

(2) \$200,000 must be transferred to the Capitol Area Architectural and Planning Board for Community Navigators, and for startup and other costs to facilitate implementation of the community vitality grant program and the Community Voices Initiative.

(b) Minnesota Statutes, sections 16B.97 to 16B.991, do not apply to a grant required by this section.

(c) This section constitutes approval by law for the expenditure of funds from the Capitol Area community vitality account, as required by Laws 2023, chapter 53, article 17, section 2.

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

Sec. 4. **APPROPRIATION; COMMISSIONER OF ADMINISTRATION; IN LIEU OF RENT.**

\$43,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of administration for space costs incurred in fiscal years 2025, 2026, and 2027 by tenants that provide public-facing professional services on the Capitol complex. The commissioner of administration must designate one publicly accessible space on the complex for which this appropriation may be used. This is a onetime appropriation and is available until June 30, 2027.

Sec. 5. **GREEN SPACE; CAPITOL PARKING LOT C.**

\$445,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of administration to design, construct, and equip additional green space, along with work needed to facilitate circulation and to add accessible parking stalls, on the site of Parking Lot C on the State Capitol complex. In addition to this amount, the commissioner may utilize for this purpose any funds remaining from the appropriation made by Laws 2023, chapter 71, section 6, subdivision 3, after the project authorized by that subdivision is complete.

Sec. 6. **APPROPRIATION; HUBERT H. HUMPHREY STATUE.**

\$300,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of administration to replace the statue of Henry Mower Rice in the Statuary Hall in the United States Capitol with a statue of Hubert H. Humphrey. This appropriation includes money for the removal and transportation of the Henry Mower Rice statue to the Minnesota State Historical Society, to contract with the Koh-Varilla Guild, Inc., to replicate, with any modifications needed to meet requirements for placement, the Hubert H. Humphrey statue that currently stands on the mall of the Minnesota State Capitol, and the erection of the new Hubert H. Humphrey statue in the Statuary Hall in the United States Capitol, including the necessary base. This is a onetime appropriation and is available until December 31, 2026.

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

Sec. 7. **APPROPRIATION; CAPITOL MALL DESIGN FRAMEWORK PHASE TWO.**

\$1,712,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of administration to design, construct, install, and equip the elements outlined in the Capitol Mall Design Framework, phase two. This is a onetime appropriation and is available until December 31, 2029.

ARTICLE 2  
STATE GOVERNMENT POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 10.65, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "agency" means the Department of Administration; Department of Agriculture; Department of Children, Youth, and Families; Department of Commerce; Department of Corrections; Department of Education; Department of Employment and Economic Development; Department of Health; Office of Higher Education; Housing Finance

Agency; Department of Human Rights; Department of Human Services; Department of Information Technology Services; Department of Iron Range Resources and Rehabilitation; Department of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services; Department of Military Affairs; Metropolitan Council; Department of Natural Resources; Pollution Control Agency; Department of Public Safety; Department of Revenue; Department of Transportation; Department of Veterans Affairs; Gambling Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; the Minnesota Board on Aging; the Public Utilities Commission; and the Board of Water and Soil Resources;

(2) "consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications. Consultation is the proactive, affirmative process of identifying and seeking input from appropriate Tribal governments and considering their interest as a necessary and integral part of the decision-making process. This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency officials and the governing body or bodies of an individual Minnesota Tribal government that the agency or an individual Tribal government may initiate. Formal meetings or communication between top agency officials and the governing body of a Minnesota Tribal government is a necessary element of consultation;

(3) "matters that have Tribal implications" means rules, legislative proposals, policy statements, or other actions that have substantial direct effects on one or more Minnesota Tribal governments, or on the distribution of power and responsibilities between the state and Minnesota Tribal governments;

(4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community; and

(5) "timely and meaningful" means done or occurring at a favorable or useful time that allows the result of consultation to be included in the agency's decision-making process for a matter that has Tribal implications.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 2. **[13.95] ADMINISTRATIVE COURTS.**

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

(b) "Administrative courts" means the Office of Administrative Hearings, Tax Court, and Workers' Compensation Court of Appeals.

(c) "Court services" include hearings, settlement conferences, mediation, and the writing of decisions and orders.

(d) "Health-related documents and data" means records, reports, or affidavits created by medical, health care, or scientific professionals that relate to the past, present, or future physical or mental health or condition of an individual, including but not limited to medical history, examinations, diagnoses and treatment, prepetition screening reports, or court-appointed examiner reports.

**Subd. 2. Judicial work product.** All notes and memoranda or drafts thereof prepared by a judge or employee of an administrative court and used in providing a court service are confidential or protected nonpublic data.

**Subd. 3. Health-related documents and data.** Health-related documents and data included in a court file are private data on individuals.

Sec. 3. Minnesota Statutes 2022, section 14.05, subdivision 7, is amended to read:

Subd. 7. **Electronic documents permitted.** An agency ~~may~~ must file rule-related documents with the Office of Administrative Hearings by electronic transmission in the manner approved by that office ~~and~~. An agency may file rule-related documents with the Office of the Revisor of Statutes by electronic transmission in the manner approved by that office.

Sec. 4. Minnesota Statutes 2022, section 14.08, is amended to read:

**14.08 APPROVAL OF RULE AND RULE FORM; COSTS.**

(a) One copy of a rule adopted under section 14.26 must be submitted by the agency to the chief administrative law judge. The chief administrative law judge shall request from the revisor certified copies of the rule when it is submitted by the agency under section 14.26. Within five working days after the request for certification of the rule is received by the revisor, ~~excluding weekends and holidays~~, the revisor shall either return the rule with a certificate of approval of the form of the rule to the chief administrative law judge or notify the chief administrative law judge and the agency that the form of the rule will not be approved.

If the chief administrative law judge disapproves a rule, the agency may modify it and the agency shall submit one copy of the modified rule, approved as to form by the revisor, to the chief administrative law judge.

(b) One copy of a rule adopted after a public hearing must be submitted by the agency to the chief administrative law judge. The chief administrative law judge shall request from the revisor certified copies of the rule when it is submitted by the agency. Within five working days after receipt of the request, the revisor shall either return the rule with a certificate of approval to the chief administrative law judge or notify the chief administrative law judge and the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice must revise the rule so it is in the correct form.

(d) After the agency has notified the chief administrative law judge that it has adopted the rule, the chief administrative law judge shall promptly file ~~four paper copies of~~ an electronic copy of the adopted rule in the Office of the Secretary of State. The secretary of state shall forward one copy of each rule filed to the agency, to the revisor of statutes, and to the governor.

(e) The chief administrative law judge shall assess an agency for the actual cost of processing rules under this section. Each agency shall include in its budget money to pay the assessments. Receipts from the assessment must be deposited in the administrative hearings account established in section 14.54.

Sec. 5. Minnesota Statutes 2022, section 14.16, subdivision 3, is amended to read:

Subd. 3. **Filing.** After the agency has provided the chief administrative law judge with a signed order adopting the rule, the chief administrative law judge shall promptly file ~~four paper copies of~~ an electronic copy of the adopted rule in the Office of the Secretary of State. The secretary of state shall forward one copy of each rule filed to the agency, to the revisor of statutes, and to the governor.

Sec. 6. Minnesota Statutes 2022, section 14.26, subdivision 3a, is amended to read:

Subd. 3a. **Filing.** If the rule is approved, the administrative law judge shall promptly file ~~four paper copies of~~ an electronic copy of the adopted rule in the Office of the Secretary of State. The secretary of state shall forward one copy of each rule to the revisor of statutes, to the agency, and to the governor.

Sec. 7. Minnesota Statutes 2022, section 14.386, is amended to read:

**14.386 PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.**

(a) A rule adopted, amended, or repealed by an agency, under a statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

- (1) the revisor of statutes approves the form of the rule by certificate;
- (2) the person authorized to adopt the rule on behalf of the agency signs an order adopting the rule;
- (3) the Office of Administrative Hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files ~~four paper copies~~ or an electronic copy of the adopted rule with the revisor's certificate in the Office of the Secretary of State; and
- (4) a copy is published by the agency in the State Register.

The secretary of state shall forward one copy of the rule to the governor.

A statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule does not excuse compliance with this section unless it makes specific reference to this section.

(b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to:

- (1) any group or rule listed in section 14.03, subdivisions 1 and 3, except as otherwise provided by law;
- (2) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459;
- (3) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005;
- (4) game refuges designated by the commissioner of natural resources under section 97A.085; or
- (5) transaction fees established by the commissioner of natural resources for electronic or telephone sales of licenses, stamps, permits, registrations, or transfers under section 84.027, subdivision 15, paragraph (a), clause (3).

(e) If a statute provides that a rule is exempt from chapter 14, and section 14.386 does not apply to the rule, the rule has the force of law unless the context of the statute delegating the rulemaking authority makes clear that the rule does not have force of law.

Sec. 8. Minnesota Statutes 2022, section 14.388, subdivision 2, is amended to read:

Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this section must give electronic notice of its intent in accordance with section 16E.07, subdivision 3, and notice by United States mail or electronic mail to persons who have registered their names with the agency under section 14.14, subdivision 1a. The notice must be given no later than the date the agency submits the proposed rule to the Office of Administrative Hearings for review of its legality and must include:

- (1) the proposed rule, amendment, or repeal;
- (2) an explanation of why the rule meets the requirements of the good cause exemption under subdivision 1; and
- (3) a statement that interested parties have five ~~business~~ working days after the date of the notice to submit comments to the Office of Administrative Hearings.

Sec. 9. Minnesota Statutes 2022, section 14.3895, subdivision 2, is amended to read:

Subd. 2. **Notice plan; prior approval.** The agency shall draft a notice plan under which the agency will make reasonable efforts to notify persons or classes of persons who may be significantly affected by the rule repeal by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. Before publishing the notice in the State Register and implementing the notice plan, the agency shall obtain prior approval of the notice plan by ~~the chief administrative law judge~~ an administrative law judge in the Office of Administrative Hearings.

Sec. 10. Minnesota Statutes 2022, section 14.3895, subdivision 6, is amended to read:

Subd. 6. **Legal review.** Before publication of the final rule in the State Register, the agency shall submit the rule to the ~~chief~~ administrative law judge in the Office of Administrative Hearings. The ~~chief~~ administrative law judge shall within 14 days approve or disapprove the rule as to its legality and its form to the extent the form relates to legality.

Sec. 11. Minnesota Statutes 2022, section 14.48, subdivision 2, is amended to read:

Subd. 2. **Chief administrative law judge.** (a) The office shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066.

(b) The chief administrative law judge may hear cases and, in accordance with chapter 43A, shall appoint a deputy chief judge and additional administrative law judges and compensation judges to serve in the office as necessary to fulfill the duties of the Office of Administrative Hearings.

(c) The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. The chief administrative law judge is subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the Board on Judicial Standards, and the provisions of the Code of Judicial Conduct.

(d) If a vacancy in the position of chief administrative law judge occurs, an acting or temporary chief administrative law judge must be named as follows:

(1) at the end of the term of a chief administrative law judge, the incumbent chief administrative law judge may, at the discretion of the appointing authority, serve as acting chief administrative law judge until a successor is appointed; and

(2) if at the end of a term of a chief administrative law judge the incumbent chief administrative law judge is not designated as acting chief administrative law judge, or if a vacancy occurs in the position of chief administrative law judge, the deputy chief judge shall immediately become temporary chief administrative law judge without further official action.

(e) The appointing authority of the chief administrative law judge may appoint a person other than the deputy chief judge to serve as temporary chief administrative law judge and may replace any other acting or temporary chief administrative law judge designated pursuant to paragraph (d), clause (1) or (2).

Sec. 12. **[14.525] INTERPRETERS.**

The chief administrative law judge may enter contracts with interpreters identified by the Supreme Court through the Court Interpreter Program. Interpreters may be utilized as the chief administrative law judge directs. These contracts are not subject to the requirements of chapters 16B and 16C.

Sec. 13. Minnesota Statutes 2022, section 14.62, subdivision 2a, is amended to read:

Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise provided by law, the report or order of the administrative law judge constitutes the final decision in the case unless the agency modifies or rejects it under subdivision 1 within 90 days after the record of the proceeding closes under section 14.61. When the agency fails to act within 90 days on a licensing case, the agency must return the record of the proceeding to the administrative law judge for consideration of disciplinary action. In all contested cases where the report or order of the administrative law judge constitutes the final decision in the case, the administrative law judge shall issue findings of fact, conclusions, and an order within 90 days after the hearing record closes under section 14.61. Upon a showing of good cause by a party or the agency, the chief administrative law judge may order a reasonable extension of either of the two 90-day deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief administrative law judge considers a request for reasonable extension so long as the request was filed and served within the applicable 90-day period.

Sec. 14. Minnesota Statutes 2022, section 15.994, is amended to read:

**15.994 INTERNET GRANT INFORMATION.**

A state agency with an Internet site must provide information on grants available through the agency and must provide a link to any grant application ~~under section 16E.20.~~

Sec. 15. Minnesota Statutes 2022, section 15A.083, subdivision 6a, is amended to read:

Subd. 6a. **Administrative law judge; salaries.** The salary of the chief administrative law judge is 98.52 percent of the salary of a chief district court judge. The salaries of the ~~assistant chief administrative law judge and administrative law judge supervisors~~ deputy chief judge and judge supervisors employed by the Office of Administrative Hearings are 100 percent of the salary of a district court judge. The salary of an administrative law judge employed by the Office of Administrative Hearings is 98.52 percent of the salary of a district court judge as set under section 15A.082, subdivision 3.

Sec. 16. Minnesota Statutes 2022, section 16B.055, subdivision 1, is amended to read:

Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration is designated as the lead agency to carry out all the responsibilities under the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~408-364, as amended 117-81~~. The Minnesota Assistive Technology Advisory Council is established to fulfill the responsibilities required by the Assistive Technology Act, as provided by Public Law ~~408-364, as amended 117-81~~. Because the existence of this council is required by federal law, this council does not expire.

(b) Except as provided in paragraph (c), the governor shall appoint the membership of the council as required by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~408-364, as amended 117-81~~. After the governor has completed the appointments required by this subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~408-364, as amended 117-81~~. The members of the council shall select their chair at the first meeting following their appointment.

(c) After consulting with the appropriate commissioner, the commissioner of administration shall appoint a representative from:

- (1) State Services for the Blind who has assistive technology expertise;
- (2) vocational rehabilitation services who has assistive technology expertise;
- (3) the Workforce Development Board; ~~and~~
- (4) the Department of Education who has assistive technology expertise; and
- (5) the Board on Aging.

Sec. 17. Minnesota Statutes 2022, section 16B.48, subdivision 4, is amended to read:

Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each agency shall reimburse the general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs.

(b) The commissioner of administration shall report the rates to be charged for the general services revolving funds no later than ~~July 1~~ September 15 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration.

(c) The commissioner of management and budget shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of management and budget, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days.

(d) All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and management and budget, must be transferred to the general fund.

Sec. 18. Minnesota Statutes 2022, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the enterprise fleet. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the enterprise fleet. The title to all motor vehicles assigned to or purchased or acquired for the enterprise fleet is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the enterprise fleet any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;
- (4) the Financial Institutions Division and investigative staff of the Department of Commerce;
- (5) the Division of Disease Prevention and Control of the Department of Health;
- (6) the State Lottery;
- (7) criminal investigators of the Department of Revenue;
- (8) state-owned community service facilities in the Department of Human Services;
- (9) the Office of the Attorney General;
- (10) the investigative staff of the Gambling Control Board; ~~and~~
- (11) the Department of Corrections inmate community work crew program under section 352.91, subdivision 3g; and
- (12) the Office of Ombudsman for Long-Term Care staff.

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

Sec. 19. **[16B.851] STATE BUILDING RENEWABLE ENERGY; STORAGE; ELECTRIC VEHICLE ACCOUNT.**

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

(b) "Energy storage" means the predesign, design, acquisition, construction, or installation of technology which stores and delivers electric or thermal energy.

(c) "EVSE" means electric vehicle service equipment, including charging equipment and associated infrastructure and site upgrades.

(d) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and the same sources in thermal energy.

(e) "Renewable energy improvement" means the predesign, design, acquisition, construction, or installation of a renewable energy production system or energy storage equipment or system, and associated infrastructure and facilities that are designed to result in a demand-side net reduction in energy use by the state building's electrical, heating, ventilating, air-conditioning, and hot water systems.

(f) "State agency" has the definition given in section 13.02, subdivision 17, or designated definition given in section 15.01 and includes the Office of Higher Education, Housing Finance Agency, Pollution Control Agency, Metropolitan Council, and Bureau of Mediation Services. State agency includes the agencies, boards, commissions, committees, councils, and authorities designated in section 15.012.

(g) "State building" means a building or facility owned by the state of Minnesota.

**Subd. 2. Account established.** A state building renewable energy, storage, and electric vehicle account is established in the special revenue fund to provide funds to state agencies to:

(1) design, construct, and equip renewable energy improvement and renewable energy storage projects at state buildings;

(2) purchase state fleet electric vehicles in accordance with section 16C.135;

(3) purchase and install EVSE and related infrastructure; and

(4) carry out management projects by the commissioner.

**Subd. 3. Account management.** The commissioner shall manage and administer the state building renewable energy, storage, and electric vehicle account.

**Subd. 4. Accepting funds.** (a) The commissioner shall make an application to the federal government on behalf of the state of Minnesota for all state projects eligible for elective payments under sections 6417 and 6418 of the Internal Revenue Code, as added by Public Law 117-169, 136 Statute 1818, the Inflation Reduction Act of 2022.

(b) The commissioner may apply for, receive, and expend money made available from federal, state, or other sources for the purposes of carrying out the duties in this section.

(c) Notwithstanding section 16A.72, all funds received under this subdivision are deposited into the state building renewable energy, storage, and electric vehicle account and appropriated to the commissioner for the purposes of subdivision 2 and as permitted under this section.

(d) Money in the state building renewable energy, storage, and electric vehicle account does not cancel and is available until expended.

Subd. 5. **Applications.** A state agency applying for state building renewable energy, storage, EVSE, and electric fleet vehicle funds must submit an application to the commissioner on a form, in the manner, and at the time prescribed by the commissioner.

Subd. 6. **Treatment of certain payments received from federal government.** (a) Federal payments received for eligible renewable energy improvement and storage projects and EVSE projects made with appropriations from general obligation bonds may be transferred to the state bond fund if consistent with federal treasury regulations.

(b) Federal payments received for eligible electric fleet vehicle purchases by the Department of Administration's fleet division must be transferred to the motor pool revolving account established in section 16B.54, subdivision 8.

(c) Federal payments received for eligible electric fleet vehicle purchases made directly by a state agency shall be transferred to the fund from which the purchase was made.

(d) When obligated to fulfill financing agreements, federal payments received for eligible renewable energy improvements shall be transferred to the appropriate agency.

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

Sec. 20. Minnesota Statutes 2022, section 16B.97, subdivision 1, is amended to read:

Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency.

(b) This section does not apply to general obligation grants as defined by section 16A.695 ~~and~~, capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Sec. 21. Minnesota Statutes 2022, section 16B.98, subdivision 1, is amended to read:

Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree to minimize administrative costs. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

(b) This section does not apply to general obligation grants as defined by section 16A.695 ~~and also~~, capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Sec. 22. Minnesota Statutes 2022, section 16C.137, subdivision 2, is amended to read:

Subd. 2. **Report.** (a) The commissioner of administration, in collaboration with the commissioners of the Pollution Control Agency, the Departments of Agriculture, Commerce, Natural Resources, and Transportation, and other state departments, must evaluate the goals and directives established in this section and ~~report~~ include their findings ~~to the governor and the appropriate committees of the legislature by February 1 of each odd-numbered year in the public dashboard under section 16B.372.~~ In the ~~report~~ public dashboard, the commissioner must make recommendations for new or adjusted goals, directives, or legislative initiatives, in light of the progress the state has made implementing this section and the availability of new or improved technologies.

(b) The Department of Administration shall implement a fleet reporting and information management system. Each department will use this management system to demonstrate its progress in complying with this section.

Sec. 23. Minnesota Statutes 2022, section 16D.09, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) Uncollectible debt must be reported by the state agency as part of its quarterly reports to the commissioner of management and budget. The basis for the determination of the uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt equals or exceeds \$100,000, the agency shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the time the debt is determined to be uncollectible. The information reported shall contain the entity associated with the uncollected debt, the amount of the debt, the revenue type, the reason the debt is considered uncollectible, and the duration the debt has been outstanding. The commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Minnesota Management and Budget an annual summary of the number and dollar amount of debts determined to be uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 24. Minnesota Statutes 2022, section 16E.01, subdivision 2, is amended to read:

Subd. 2. **Discretionary powers.** The department may:

(1) enter into contracts for goods or services with public or private organizations and charge fees for services it provides;

(2) apply for, receive, and expend money from public agencies;

(3) apply for, accept, and disburse grants and other aids from the federal government and other public or private sources;

(4) enter into contracts with agencies of the federal government, local governmental units, the University of Minnesota and other educational institutions, and private persons and other nongovernmental organizations as necessary to perform its statutory duties;

(5) sponsor and conduct conferences and studies, collect and disseminate information, and issue reports relating to information and communications technology issues;

(6) review the technology infrastructure of regions of the state and cooperate with and make recommendations to the governor, legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of information and communications technology infrastructure development potential;

(7) sponsor, support, and facilitate innovative and collaborative economic and community development and government services projects or initiatives, including technology initiatives related to culture and the arts, with public and private organizations; and

(8) review and recommend alternative sourcing strategies for state information and communications systems.

Sec. 25. Minnesota Statutes 2023 Supplement, section 16E.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The department shall:

(1) manage the efficient and effective use of available federal, state, local, and public-private resources to develop statewide information and telecommunications technology systems and services and its infrastructure;

(2) approve state agency and intergovernmental information and telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects and initiatives reviewed, and recommend projects and initiatives for inclusion in the governor's budget under section 16A.11;

(3) promote cooperation and collaboration among state and local governments in developing intergovernmental information and telecommunications technology systems and services;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches, as requested;

(5) ~~promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world~~ continue to collaborate on the development of MN.gov, the state's official comprehensive online service and information initiative;

(6) manage and promote the regular and periodic reinvestment in the information and telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

(7) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services and electronic data practices and ~~privacy~~ security within the executive branch;

(8) eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by state agencies;

(9) identify, sponsor, develop, and execute shared information and telecommunications technology projects and initiatives, and ongoing operations;

(10) ensure overall security of the state's information and technology systems and services; and

(11) manage and direct compliance with accessibility standards for informational technology, including hardware, software, websites, online forms, and online surveys.

(b) The chief information officer, in consultation with the commissioner of management and budget, must determine when it is cost-effective for agencies to develop and use shared information technology systems, platforms, and services for the delivery of digital government services. The chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of management and budget to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

(c) A state agency that has an information and telecommunications technology project or initiative, whether funded as part of the biennial budget or by any other means, shall register with the department by submitting basic project or initiative startup documentation as specified by the chief information officer in both format and content. State agency business and technology project leaders, in accordance with policies and standards set forth by the chief information officer, must demonstrate that the project or initiative will be properly managed, ensure alignment with enterprise technology strategic direction, provide updates to the project or initiative documentation as changes are proposed, and regularly report on the current status of the project or initiative on a schedule agreed to with the chief information officer. The chief information officer has the authority to define a project or initiative for the purposes of this chapter.

(d) The chief information officer shall monitor progress on ~~any~~ active information and telecommunications technology ~~project with a total expected project cost of more than \$5,000,000~~ projects and initiatives and report on the performance of the ~~project~~ projects or initiatives in comparison with ~~the plans for the project~~ in terms of time, scope, and budget. The chief information officer may conduct an independent ~~project~~ audit of the project or initiative. If an independent audit is conducted, the audit analysis and evaluation of the ~~projects subject to paragraph~~ (e) project or initiative must be presented to agency executive sponsors, the project governance bodies, and the chief information officer. All reports and responses must become part of the project or initiative record.

(e) For any active information and telecommunications technology project or initiative, with a total expected ~~project~~ cost of more than \$10,000,000, ~~the state agency must perform~~ an annual independent audit that conforms to published ~~project~~ audit principles adopted by the department must be conducted.

(f) The chief information officer shall report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the department ~~regarding projects the department has reviewed under paragraph (a), clause (10)~~ on the status of the state's comprehensive project and initiatives portfolio. The report must include: ~~descriptions of each project and its current status, information technology costs associated with the project, and estimated date on when the information technology project is expected to be completed.~~

- ~~(1) each project in the IT portfolio whose status is either active or on hold;~~
- ~~(2) each project presented to the office for consultation in the time since the last report;~~
- ~~(3) the information technology cost associated with the project;~~
- ~~(4) the current status of the information technology project;~~
- ~~(5) the date the information technology project is expected to be completed; and~~
- ~~(6) the projected costs for ongoing support and maintenance after the project is complete.~~

Sec. 26. Minnesota Statutes 2023 Supplement, section 16E.03, subdivision 2, is amended to read:

Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

(1) design a strategic plan for information and telecommunications technology systems and services in the state and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) ~~coordinate, review, and approve all information and telecommunications technology projects~~ develop and implement processes for review, approval, and monitoring and oversee the state's information and telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and telecommunications technology systems and services that are cost-effective and support open systems environments and that are compatible with state, national, and international standards, including accessibility standards;

(4) maintain a library of systems and programs developed by the state for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware, software, and services necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 27. Minnesota Statutes 2022, section 16E.03, subdivision 3, is amended to read:

Subd. 3. **Evaluation and approval.** A state agency may not undertake an information and telecommunications technology project or initiative until it has been evaluated according to the procedures developed under subdivision 4. The chief information officer or delegate shall ~~give written approval of the proposed project~~ record project approval as a part of the project.

Sec. 28. Minnesota Statutes 2022, section 16E.03, subdivision 4, is amended to read:

Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as necessary, update and modify procedures to evaluate information and communications projects or initiatives proposed by state agencies. The evaluation procedure must assess the necessity, design and plan for development, ability to meet user requirements, accessibility, feasibility, ~~and flexibility of the proposed data processing device or system, its relationship to other state data processing devices or systems, and its costs and benefits when considered by itself and when compared with other options~~ cost, and benefits of the project or initiative.

Sec. 29. Minnesota Statutes 2022, section 16E.03, subdivision 5, is amended to read:

Subd. 5. **Report to legislature.** The chief information officer shall submit to the legislature, at the same time as the governor's budget required by section 16A.11, a concise narrative explanation of any information and communication technology project or initiative being proposed as part of the governor's budget that involves collaboration between state agencies and an explanation of how the budget requests of the several agencies collaborating on the project or initiative relate to each other.

Sec. 30. Minnesota Statutes 2022, section 16E.03, subdivision 7, is amended to read:

Subd. 7. **Cyber security systems.** (a) In consultation with the attorney general and appropriate agency heads, the chief information officer shall develop cyber security policies, guidelines, and standards, and shall ~~install~~ advise, implement, and administer state data security systems solutions and practices on the state's ~~computer facilities~~ information technology services, systems, and applications consistent with these policies, guidelines, standards, and state law to ensure the integrity, confidentiality, and availability of ~~computer-based and other~~ information technology systems and services, and data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy.

(b) The state chief information officer, or state chief information security officer, may advise and consult on security strategy and programs for state entities and political subdivisions not subject to section 16E.016.

Sec. 31. Minnesota Statutes 2022, section 16E.04, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The office ~~shall~~ may develop and establish a state information architecture to ensure:

(1) that state agency information and communications systems, equipment, and services do not needlessly duplicate or conflict with the systems of other agencies; and

(2) enhanced public access to data can be provided consistent with standards developed under section 16E.05, subdivision 4.

When state agencies have need for the same or similar public data, the chief information officer, in coordination with the affected agencies, shall manage the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The office shall ensure compliance with the architecture.

(b) The office shall review and approve agency requests for funding for the development or purchase of information systems equipment or software before the requests may be included in the governor's budget.

(c) The office ~~shall~~ may review and approve agency requests for grant funding that have an information and technology component.

(d) The office shall review major purchases of information systems equipment to:

(1) ensure that the equipment follows the standards and guidelines of the state information architecture;

(2) ensure the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and

(3) ensure that the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency.

(e) The office shall review the operation of information systems by state agencies and ensure that these systems are operated efficiently and securely and continually meet the standards and guidelines established by the office. The standards and guidelines must emphasize uniformity that is cost-effective for the enterprise, that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and chapter 13.

Sec. 32. Minnesota Statutes 2022, section 16E.04, subdivision 3, is amended to read:

Subd. 3. **Risk assessment and mitigation.** (a) A risk assessment and risk mitigation plan are required for all information systems development projects or initiatives undertaken by a state agency in the executive or judicial branch or by a constitutional officer. The chief information officer must contract with an entity outside of state government to conduct the initial assessment and prepare the mitigation plan for a project or initiative estimated to cost more than ~~\$5,000,000~~ \$10,000,000. The outside entity conducting the risk assessment and preparing the mitigation plan must not have any other direct or indirect financial interest in the project or initiative. The risk assessment and risk mitigation plan must provide for periodic monitoring by the commissioner until the project or initiative is completed.

(b) The risk assessment and risk mitigation plan must be paid for with money appropriated for the information and telecommunications technology project or initiative.

Sec. 33. Minnesota Statutes 2022, section 16E.07, is amended to read:

**16E.07 NORTH STAR ONLINE GOVERNMENT INFORMATION SERVICES.**

Subdivision 1. **Definitions** ~~Definition.~~ (a) The ~~definitions~~ definition in this subdivision ~~apply~~ applies to this section.

~~(b) "Core services" means accessible information system applications required to provide secure information services and online applications and content to the public from government units. Online applications may include, but are not limited to:~~

- ~~(1) standardized public directory services and standardized content services;~~
- ~~(2) online search systems;~~
- ~~(3) general technical services to support government unit online services;~~
- ~~(4) electronic conferencing and communication services;~~
- ~~(5) secure electronic transaction services;~~
- ~~(6) digital audio, video, and multimedia services; and~~
- ~~(7) government intranet content and service development.~~

~~(e)~~ (b) "Government unit" means a state department, agency, commission, council, board, task force, or committee; a constitutional office; a court entity; the Minnesota State Colleges and Universities; a county, statutory or home rule charter city, or town; a school district; a special district; or any other board, commission, district, or authority created under law, local ordinance, or charter provision.

Subd. 2. **Established.** The ~~office~~ department shall establish "North Star" as the state's comprehensive government online information service. ~~North Star is the state's governmental framework for coordinating and collaborating in providing online government information and services. Government agencies that provide electronic access to government information are requested to make available to North Star their most frequently requested public data~~ collaborate with state agencies to maintain MN.gov and associated websites that provide online government information services.

Subd. 3. **Access to data.** The legislature determines that the greatest possible access to certain government information and data is essential to allow citizens to participate fully in a democratic system of government. Certain information and data, including, but not limited to the following, must be provided free of charge or for a nominal cost associated with reproducing the information or data:

- ~~(1) directories of government services and institutions, including an electronic version of the guidebook to state agency services published by the commissioner of administration;~~
- (2) legislative and rulemaking information, including an electronic version of the State Register, public information newsletters, bill text and summaries, bill status information, rule status information, meeting schedules, and the text of statutes and rules;
- (3) supreme court and court of appeals opinions and general judicial information;

(4) opinions of the attorney general;

(5) Campaign Finance and Public Disclosure Board and election information;

(6) public budget information;

(7) local government documents, such as codes, ordinances, minutes, meeting schedules, and other notices in the public interest;

(8) official documents, releases, speeches, and other public information issued by government agencies; and

(9) the text of other government documents and publications that government agencies determine are important to public understanding of government activities.

~~Subd. 4. **Staff.** The chief information officer shall appoint the manager of the North Star online information service and hire staff to carry out the responsibilities of the service.~~

~~Subd. 5. **Participation; consultation; guidelines.** The North Star staff shall consult with governmental and nongovernmental organizations to establish rules for participation in the North Star service. Government units planning, developing, or providing publicly accessible online services shall provide access through and collaborate with North Star and formally register with the office. The University of Minnesota is requested to establish online connections and collaborate with North Star. Units of the legislature shall make their services available through North Star. Government units may be required to submit standardized directory and general content for core services but are not required to purchase core services from North Star. North Star shall promote broad public access to the sources of online information or services through multiple technologies.~~

Subd. 6. **Fees.** The office shall may establish fees for technical and transaction services for government units through North Star. ~~Fees must be credited to the North Star account.~~ The office may not charge a fee for viewing or inspecting data made available through ~~North Star~~ MN.gov or linked facilities, unless specifically authorized by law.

Subd. 7. **North Star Online government information service account.** ~~The North Star online government information service~~ account is created in the special revenue fund. The account consists of:

(1) grants received from nonstate entities;

(2) fees and charges collected by the office;

(3) gifts, donations, and bequests made to the office; and

(4) other money credited to the account by law.

Money in the account is appropriated to the office to be used to continue the development of ~~the North Star project~~ online government information services.

Subd. 8. **Secure transaction system.** The office shall plan and develop a secure transaction ~~system~~ systems to support delivery of government services electronically. A state agency that implements electronic government services for fees, licenses, sales, or other purposes ~~must use the~~ may be required to use secure transaction ~~system~~ systems developed in accordance with this section.

Subd. 9. **Aggregation of service demand.** The office shall may identify opportunities to aggregate demand for technical services required by government units for online activities and may contract with governmental or nongovernmental entities to provide services. These contracts are not subject to the requirements of chapters 16B and 16C, except sections 16C.04, 16C.08, and 16C.09.

Subd. 10. **Outreach.** The office may promote the availability of government online information and services through public outreach and education. ~~Public network expansion in communities through libraries, schools, colleges, local government, and other community access points must include access to North Star. North Star may make materials available to those public sites to promote awareness of the service.~~

~~Subd. 11. **Advanced development collaboration.** The office shall identify information technology services with broad public impact and advanced development requirements. Those services shall assist in the development of and utilization of core services to the greatest extent possible where appropriate, cost effective, and technically feasible. This includes, but is not limited to, higher education, statewide online library, economic and community development, and K-12 educational technology services. North Star shall participate in electronic commerce research and development initiatives with the University of Minnesota and other partners. The statewide online library service shall consult, collaborate, and work with North Star to ensure development of proposals for advanced government information locator and electronic depository and archive systems.~~

Subd. 12. **Private entity services; fee authority.** (a) The department may enter into a contract with a private entity to manage, maintain, support, and expand ~~North Star and~~ online government information services to citizens and businesses.

(b) A contract established under paragraph (a) may provide for compensation of the private entity through a fee established under paragraph (c).

(c) The department, subject to the approval of the agency or department responsible for the data or services involved in the transaction, may charge and may authorize a private entity that enters into a contract under paragraph (a) to charge a convenience fee for users of ~~North Star and~~ online government information services up to a total of \$2 per transaction, provided that no fee shall be charged for viewing or inspecting data. A fee established under this paragraph is in addition to any fees or surcharges authorized under other law.

(d) Receipts from the convenience fee shall be deposited in the ~~North Star~~ online government information service account established in subdivision 7. Notwithstanding section 16A.1285, subdivision 2, receipts credited to the account are appropriated to the department for payment to the contracted private entity under paragraph (a). In lieu of depositing the receipts in the ~~North Star~~ online government information service account, the department can directly transfer the receipts to the private entity or allow the private entity to retain the receipts pursuant to a contract established under this subdivision.

~~(e) The department shall report~~ Information regarding any convenience fee receipts collected under paragraph (d) must be reported to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance by January 15 of each odd-numbered year ~~regarding the convenience fee receipts and the status of North Star projects and online government information services developed and supported by convenience fee receipts.~~

Sec. 34. **[16E.36] CYBERSECURITY INCIDENTS.**

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

(b) "Bureau" means the Bureau of Criminal Apprehension.

(c) "Cybersecurity incident" means an action taken through the use of an information system or network that results in an actual or potentially adverse effect on an information system, network, or the information residing therein.

(d) "Cyber threat indicator" means information that is necessary to describe or identify:

(1) malicious reconnaissance, including but not limited to anomalous patterns of communication that appear to be transmitted for the purpose of gathering technical information related to a cybersecurity threat or vulnerability;

(2) a method of defeating a security control or exploitation of a security vulnerability;

(3) a security vulnerability, including but not limited to anomalous activity that appears to indicate the existence of a security vulnerability;

(4) a method of causing a user with legitimate access to an information system or information that is stored on, processed by, or transiting an information system to unwittingly enable the defeat of a security control or exploitation of a security vulnerability;

(5) malicious cyber command and control;

(6) the actual or potential harm caused by an incident, including but not limited to a description of the data exfiltrated as a result of a particular cyber threat; and

(7) any other attribute of a cyber threat, if disclosure of such attribute is not otherwise prohibited by law.

(e) "Defensive measure" means an action, device, procedure, signature, technique, or other measure applied to an information system or information that is stored on, processed by, or transiting an information system that detects, prevents, or mitigates a known or suspected cyber threat or security vulnerability, but does not include a measure that destroys, renders unusable, provides unauthorized access to, or substantially harms an information system or information stored on, processed by, or transiting an information system not owned by the entity operating the measure, or another entity that is authorized to provide consent and has provided consent to that private entity for operation of the measure.

(f) "Government contractor" means an individual or entity that performs work for or on behalf of a public agency on a contract basis with access to or hosting of the public agency's network, systems, applications, or information.

(g) "Information resource" means information and related resources, such as personnel, equipment, funds, and information technology.

(h) "Information system" means a discrete set of information resources organized for collecting, processing, maintaining, using, sharing, disseminating, or disposing of information.

(i) "Information technology" means any equipment or interconnected system or subsystem of equipment that is used in automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information used by a public agency or a government contractor under contract with a public agency which requires the use of the equipment or requires the use, to a significant extent, of the equipment in the performance of a service or the furnishing of a product. The term information technology also has the meaning given to information and telecommunications technology systems and services in section 16E.03, subdivision 1, paragraph (b).

(j) "Private entity" means any individual, corporation, company, partnership, firm, association, or other entity, but does not include a public agency, or a foreign government, or any component thereof.

(k) "Public agency" means any public agency of the state or any political subdivision; school districts; charter schools; intermediate districts; cooperative units under section 123A.24, subdivision 2; and public postsecondary education institutions.

(l) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension.

Subd. 2. **Report on cybersecurity incidents.** (a) Beginning December 1, 2024, the head of or the decision-making body for a public agency must report a cybersecurity incident that impacts the public agency to the commissioner. A government contractor or vendor that provides goods or services to a public agency must report a cybersecurity incident to the public agency if the incident impacts the public agency.

(b) The report must be made within 72 hours of when the public agency or government contractor reasonably identifies or believes that a cybersecurity incident has occurred.

(c) The commissioner must coordinate with the superintendent to promptly share reported cybersecurity incidents.

(d) By September 30, 2024, the commissioner, in coordination with the superintendent, must establish a cyber incident reporting system having capabilities to facilitate submission of timely, secure, and confidential cybersecurity incident notifications from public agencies, government contractors, and private entities to the office.

(e) By September 30, 2024, the commissioner must develop, in coordination with the superintendent, and prominently post instructions for submitting cybersecurity incident reports on the department and bureau websites. The instructions must include, at a minimum, the types of cybersecurity incidents to be reported and a list of other information to be included in a report made through the cyber incident reporting system.

(f) The cyber incident reporting system must permit the commissioner, in coordination with the superintendent, to:

(1) securely accept a cybersecurity incident notification from any individual or private entity, regardless of whether the entity is a public agency or government contractor;

(2) track and identify trends in cybersecurity incidents reported through the cyber incident reporting system; and

(3) produce reports on the types of incidents, cyber threat, indicators, defensive measures, and entities reported through the cyber incident reporting system.

(g) Any cybersecurity incident report submitted to the commissioner is security information pursuant to section 13.37, is not discoverable in a civil or criminal action absent a court order or a search warrant, and is not subject to subpoena.

(h) Notwithstanding the provisions of paragraph (g), the commissioner may anonymize and share cyber threat indicators and relevant defensive measures to help prevent attacks and share cybersecurity incident notifications with potentially impacted parties through cybersecurity threat bulletins or relevant law enforcement authorities.

(i) Information submitted to the commissioner through the cyber incident reporting system is subject to privacy and protection procedures developed and implemented by the office, which shall be based on the comparable privacy protection procedures developed for information received and shared pursuant to the federal Cybersecurity Information Sharing Act of 2015, United States Code, title 6, section 1501, et seq.

Subd. 3. **Annual report to the governor and legislature.** Beginning January 31, 2026, and annually thereafter, the commissioner, in coordination with the superintendent, must submit a report on its cyber security incident report collection and resolution activities to the governor and to the legislative commission on cybersecurity. The report must include, at a minimum:

(1) information on the number of notifications received and a description of the cybersecurity incident types during the one-year period preceding the publication of the report;

(2) the categories of reporting entities that submitted cybersecurity reports; and

(3) any other information required in the submission of a cybersecurity incident report, noting any changes from the report published in the previous year.

Sec. 35. Minnesota Statutes 2022, section 43A.316, subdivision 5, is amended to read:

Subd. 5. **Public employee participation.** (a) Participation in the program is subject to the conditions in this subdivision.

(b) Each exclusive representative for an eligible employer determines whether the employees it represents will participate in the program. The exclusive representative shall give the employer notice of intent to participate at least 30 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the program. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the program at least 30 days before entry into the program. Entry into the program is governed by a schedule established by the commissioner.

(c) Employees not represented by exclusive representatives may become members of the program upon a determination of an eligible employer to include these employees in the program. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least 30 days' notice to the commissioner before entering the program. Entry into the program is governed by a schedule established by the commissioner.

(d) Participation in the program is for a ~~two-year~~ four-year term. Participation is automatically renewed for an additional ~~two-year~~ four-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 30 days before expiration of the participation period. A group that withdraws must wait two years before rejoining. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase ~~50~~ 20 percent or more from one insurance year to the next.

(e) The exclusive representative shall give the employer notice of intent to withdraw to the commissioner at least 30 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires.

(f) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer shall also submit other information as required by the commissioner for administration of the program.

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

Sec. 36. Minnesota Statutes 2022, section 211B.33, subdivision 2, is amended to read:

Subd. 2. **Recommendation.** (a) If the administrative law judge determines that the complaint does not set forth a prima facie violation of chapter 211A or 211B, the administrative law judge must dismiss the complaint.

~~(b) If the administrative law judge determines that the complaint sets forth a prima facie violation of section 211B.06 and was filed within 60 days before the primary or special election or within 90 days before the general election to which the complaint relates, the administrative law judge must conduct an expedited probable cause hearing under section 211B.34.~~

~~(e)~~ (b) If the administrative law judge determines that the complaint sets forth a prima facie violation of a provision of chapter 211A or 211B, ~~other than section 211B.06~~, and that the complaint was filed within 60 days before the primary or special election or within 90 days before the general election to which the complaint relates, the administrative law judge, on request of any party, must conduct an expedited probable cause hearing under section 211B.34.

~~(d)~~ (c) If the administrative law judge determines that the complaint sets forth a prima facie violation of chapter 211A or 211B, and was ~~filed more than~~ not filed within 60 days before the primary or special election or ~~more than~~ 90 days before the general election to which the complaint relates, the administrative law judge must schedule an evidentiary hearing under section 211B.35.

Sec. 37. Minnesota Statutes 2022, section 211B.34, subdivision 1, is amended to read:

Subdivision 1. **Time for review.** The assigned administrative law judge must hold a probable cause hearing on the complaint no later than three business days after ~~receiving the assignment if~~ determining the complaint sets forth a prima facie violation of chapter 211A or 211B, an expedited hearing is required by section 211B.33, except that for good cause the administrative law judge may hold the hearing no later than seven days after ~~receiving the assignment~~ the prima facie determination. If an expedited hearing is not required by section 211B.33, ~~because no party requested one under section 211B.33, subdivision 2, paragraph (b)~~, the administrative law judge must hold the hearing not later than 30 days after ~~receiving the assignment~~ determining the complaint sets forth a prima facie violation of chapter 211A or 211B.

Sec. 38. Minnesota Statutes 2022, section 211B.34, subdivision 2, is amended to read:

Subd. 2. **Disposition.** ~~At~~ After the probable cause hearing, the administrative law judge must make one of the following determinations within three business days after the hearing record closes:

(a) The complaint is frivolous, or there is no probable cause to believe that the violation of law alleged in the complaint has occurred. If the administrative law judge makes either determination, the administrative law judge must dismiss the complaint.

(b) There is probable cause to believe that the violation of law alleged in the complaint has occurred. If the administrative law judge so determines, the chief administrative law judge must schedule the complaint for an evidentiary hearing under section 211B.35.

Sec. 39. Minnesota Statutes 2022, section 211B.35, subdivision 1, is amended to read:

Subdivision 1. **Deadline for hearing.** When required by section 211B.33, subdivision 2, paragraph (c), or by section 211B.34, subdivision 2 or 3, the chief administrative law judge must assign the complaint to a panel of three administrative law judges for an evidentiary hearing. The hearing must be held within the following times:

(1) ten days after the complaint was assigned to the panel, if an expedited probable cause hearing was requested or required under section 211B.33;

(2) 30 days after the complaint was filed, if it was filed within 60 days before the primary or special election or within 90 days before the general election to which the complaint relates; or

(3) 90 days after the complaint was filed, if it was filed at any other time.

For good cause shown, the panel may extend the deadline set forth in clause (2) or (3) by 60 days.

Sec. 40. Minnesota Statutes 2022, section 211B.35, subdivision 3, is amended to read:

Subd. 3. **Time for disposition.** The panel must dispose of the complaint:

(1) within three business days after the hearing record closes, if an expedited probable cause hearing was required by section 211B.33; and

(2) within 14 days after the hearing record closes, if an expedited probable cause hearing was not required by section 211B.33.

Sec. 41. Minnesota Statutes 2022, section 299E.01, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The division shall be responsible and shall utilize state employees for security and public information services in state-owned buildings and state leased-to-own buildings in the Capitol Area, as described in section 15B.02. It shall provide personnel as are required by the circumstances to insure the orderly conduct of state business and the convenience of the public. It shall provide emergency assistance and security escorts at any location within the Capitol Area, as described in section 15B.02, when requested by a state constitutional officer.

(b) As part of the division permanent staff, the director must establish the position of emergency manager that includes, at a minimum, the following duties:

(1) oversight of the consolidation, development, and maintenance of plans and procedures that provide continuity of security operations;

(2) the development and implementation of tenant training that addresses threats and emergency procedures; and

(3) the development and implementation of threat and emergency exercises.

(c) The director must provide a minimum of one state trooper assigned to the Capitol complex at all times.

(d) The director, in consultation with the advisory committee under section 299E.04, shall, at least annually, hold a meeting or meetings to discuss, among other issues, Capitol complex security, emergency planning, public safety, and public access to the Capitol complex. The meetings must include, at a minimum:

(1) Capitol complex tenants and state employees;

(2) nongovernmental entities, such as lobbyists, vendors, and the media; and

(3) the public and public advocacy groups.

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

Sec. 42. Minnesota Statutes 2023 Supplement, section 307.08, subdivision 3a, is amended to read:

Subd. 3a. **Cemeteries; records and condition assessments.** (a) Cemeteries shall be assessed according to this subdivision.

(b) The state archaeologist shall implement and maintain a system of records identifying the location of known, recorded, or suspected cemeteries. The state archaeologist shall provide access to the records as provided in subdivision 11.

(c) The cemetery condition assessment of non-American Indian cemeteries is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(d) The cemetery condition assessment of American Indian cemeteries is at the discretion of the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority. If the Indian Affairs Council has possession or takes custody of remains they may follow United States Code, title 25, sections 3001 to 3013.

(e) The cemetery condition assessment of cemeteries that include American Indian and non-American Indian remains or include remains whose ancestry cannot be determined shall be assessed at the discretion of the state archaeologist in collaboration with the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(f) The state archaeologist and the Indian Affairs Council shall have 90 days from the date a request is received to begin a cemetery condition assessment or provide notice to the requester whether or not a condition assessment of a cemetery is needed.

(g) The state archaeologist and the Indian Affairs Council may retain the services of a qualified professional archaeologist, a qualified forensic anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist or the Indian Affairs Council can use to assess or identify cemeteries. If probable American Indian cemeteries are to be disturbed or probable American Indian remains analyzed, the Indian Affairs Council must approve the professional archaeologist, qualified anthropologist, or other appropriate expert.

Sec. 43. Minnesota Statutes 2022, section 326.10, subdivision 8, is amended to read:

Subd. 8. **Expiration and renewal.** (a) All licenses and certificates, other than in-training certificates, issued by the board expire at midnight on June 30 of each even-numbered calendar year if not renewed. A holder of a license or certificate issued by the board may renew it by completing and filing with the board an application for renewal consisting of a fully completed form provided by the board and the fee specified in section 326.105. Both the fee and the application must be submitted at the same time and by June 30 of each even-numbered calendar year. The form must be signed by the applicant, contain all of the information requested, and clearly show that the licensee or certificate holder has completed the minimum number of required professional development hours or has been granted an exemption under section 326.107, subdivision 4. An application for renewal that does not comply with the requirements of this subdivision is an incomplete application and must not be accepted by the board.

(b) No later than 30 days before the expiration of a license or certificate, the board must send the holder of the license or certificate a notice by email that the license or certificate is about to expire. The notice must include information on the process and requirements for renewal. The application form for a new or renewed license or certificate issued by the board must request that the applicant provide an email address for the purpose of providing this notice. If the board does not have a record of a license or certificate holder's email address, the board must send the notice to the holder by standard mail.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to licenses and renewals scheduled to expire on or after that date.

Sec. 44. Minnesota Statutes 2022, section 326A.04, subdivision 4, is amended to read:

Subd. 4. **Program of learning.** Each licensee shall participate in a program of learning designed to maintain professional competency. The program of learning must comply with rules adopted by the board. The board may by rule create an exception to this requirement for licensees who do not perform or offer to perform for the public one or more kinds of services involving the use of auditing skills, including issuance of reports on: attest or compilation engagements, management advisory services, financial advisory services, or consulting services. A licensee granted such an exception by the board must place the word "inactive" or "retired," if applicable, adjacent to the CPA title on any business card, letterhead, or any other document or device, with the exception of the licensee's certificate on which the CPA title appears. The board must not conduct an audit of a licensee's compliance with these requirements during the 60 days prior to the deadline for filing an individual income tax return under section 289A.18, subdivision 1.

Sec. 45. Minnesota Statutes 2022, section 336.1-110, is amended to read:

### **336.1-110 UNIFORM COMMERCIAL CODE ACCOUNT.**

The Uniform Commercial Code account is established as an account in the state treasury. Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under this chapter must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Money in the Uniform Commercial Code account is continuously appropriated to the secretary of state to implement and maintain the central filing system under this chapter, to provide, improve, and expand other online or remote lien and business entity filing, retrieval, and payment method services provided by the secretary of state, and to provide electronic access and to support, maintain, and expand all other computerized records and systems maintained by the secretary of state.

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

Sec. 46. Minnesota Statutes 2022, section 358.645, subdivision 2, is amended to read:

Subd. 2. **Qualifications; registration required.** (a) A remote online notary public:

(1) is a notary public for purposes of chapter 359 and is subject to and must be appointed and commissioned under that chapter;

(2) may perform notarial acts as provided by this chapter and chapter 359 in addition to performing remote online notarizations; and

(3) may perform remote online notarizations authorized under this section.

(b) A notary public commissioned in this state may apply for remote online notarization registration according to this section. Before a notary performs a remote online notarization, the notary must register the capability to perform notarial acts pursuant to section 358.645 with the secretary of state ~~according to section 359.01, subdivision 5,~~ and must certify that the notary intends to use communication technology that conforms to this section.

(c) Unless terminated under this section, the term of registration to perform remote online notarial acts begins on the registration starting date set by the secretary of state and continues as long as the notary public's current commission to perform notarial acts remains valid.

(d) Upon the applicant's fulfillment of the requirements for remote online notarization registration under this section, the secretary of state shall record the registration under the applicant's notary public commission number.

(e) The secretary of state may reject a registration application if the applicant fails to comply with paragraphs (a) to (d). The commissioner of commerce may revoke a registration if the applicant fails to comply with subdivisions 2 to 6.

Sec. 47. Minnesota Statutes 2022, section 358.71, is amended to read:

**358.71 DATABASE OF NOTARIES PUBLIC.**

The secretary of state shall maintain an electronic database of notaries public:

~~(1) through which a person may verify the authority of a notary public to perform notarial acts, including notarial acts pursuant to section 358.645; and to perform notarial acts on electronic records.~~

~~(2) which indicates whether a notary public has applied to the commissioning officer or agency to perform notarial acts on electronic records or to perform notarial acts pursuant to section 358.645.~~

Sec. 48. Minnesota Statutes 2022, section 359.01, subdivision 5, is amended to read:

Subd. 5. **Registration to perform electronic notarizations.** Before performing electronic notarial acts, a notary public shall register the capability to notarize electronically with the secretary of state. ~~Before performing electronic notarial acts after recommissioning, a notary public shall reregister with the secretary of state.~~ Unless terminated for any reason, the term of registration to perform electronic notarial acts begins on the registration starting date set by the secretary of state and continues as long as the notary public has a valid commission to perform notarial acts. The requirements of this chapter relating to electronic notarial acts do not apply to notarial acts performed under sections 358.15, paragraph (a), clause (4), and 358.60, subdivision 1, clause (2).

Sec. 49. Minnesota Statutes 2022, section 359.03, subdivision 3, is amended to read:

Subd. 3. **Specifications.** (a) The official notarial stamp consists of the seal of the state of Minnesota, the name of the notary as it appears on the commission or the name of the ex officio notary, the words "Notary Public," or "Notarial Officer" in the case of an ex officio notary, and the words "My commission expires ..... (or where applicable) My term is indeterminate," with the expiration date shown on it and must be able to be reproduced in any legibly reproducible manner. The official notarial stamp shall be a rectangular form of not more than three-fourths of an inch vertically by 2-1/2 inches horizontally, with a serrated or milled edge border, and shall contain the information required by this subdivision.

(b) A notarial stamp that complied with these requirements at the time of issuance may continue to be used during the remainder of the current term of the notary even if changes to any of these requirements subsequently become effective.

Sec. 50. **STATE CAPITOL; MANAGEMENT OF SPACE.**

Notwithstanding any law or space use agreements to the contrary, the commissioner of administration must allocate the first floor, North corridor adjoining rooms 107 and 112 of the State Capitol building to the use and management of the house of representatives during any period in which the legislature is convened in regular or

special session. During these periods, public use of the space must not interfere with the conduct of legislative business or the security of legislators or legislative staff, and events and other programs scheduled within the space must only be permitted if approved by the speaker of the house.

Sec. 51. **REPEALER; FALSE POLITICAL AND CAMPAIGN MATERIAL.**

Minnesota Statutes 2022, section 211B.06, is repealed.

Sec. 52. **REPEALER; FEDERAL EDUCATION LAW IMPLEMENTATION REPORT.**

Minnesota Statutes 2022, section 127A.095, subdivision 3, is repealed.

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

Sec. 53. **REPEALER; DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES PROVISIONS.**

Minnesota Statutes 2022, sections 16E.035; 16E.0465, subdivisions 1 and 2; 16E.055; and 16E.20, are repealed.

ARTICLE 3  
LOCAL GOVERNMENT POLICY

Section 1. Minnesota Statutes 2022, section 383B.145, subdivision 5, is amended to read:

Subd. 5. **Set-aside contracts.** (a) Notwithstanding any other law to the contrary, the board may set aside an amount, for each fiscal year, for awarding contracts to businesses and social services organizations ~~which have a majority of employees~~ that employ persons who would be eligible for public assistance or who would require rehabilitative services in the absence of their employment. The set-aside amount may not exceed two percent of the amount appropriated by the board in the budget for the preceding fiscal year. Failure by the board to designate particular procurements for the set-aside program shall not prevent vendors from seeking the procurement award through the normal solicitation and bidding processes pursuant to the provisions of the Uniform Municipal Contracting Act, section 471.345.

(b) The board may elect to use a negotiated price or bid contract procedure in the awarding of a procurement contract under the set-aside program. The amount of the award shall not exceed by more than five percent the estimated price for the goods or services, if they were to be purchased on the open market and not under the set-aside program.

(c) Before contracting with a business or social service organization under the set-aside program, the board or authorized person shall conduct an investigation of the business or social service organization with whom it seeks to contract and shall make findings, to be contained in the provisions of the contract, that:

(1) the vendor either:

(i) has in its employ at least 50 percent of its employees who would be eligible to receive some form of public assistance or other rehabilitative services in the absence of the award of a contract to the vendor; or

(ii) if the vendor is a business providing construction services, has in its employ to deliver the set-aside contract as many employees who would be eligible to receive some form of public assistance or other rehabilitative services in the absence of the award of a contract to the vendor as is practicable in consideration of industry safety standards, established supervisory ratios for apprentices, and requirements for licensed persons to perform certain work;

(2) the vendor has elected to apply to the board for a contract under the set-aside provisions; and

(3) the vendor is able to perform the set-aside contract.

(d) The board shall publicize the provisions of the set-aside program, attempt to locate vendors able to perform set-aside procurement contracts and otherwise encourage participation therein.

Sec. 2. Minnesota Statutes 2023 Supplement, section 473.145, is amended to read:

**473.145 DEVELOPMENT GUIDE.**

(a) The Metropolitan Council must prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It must consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area. The comprehensive development guide must recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, climate mitigation and adaptation, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings.

(b) For the purposes of this section, "climate mitigation and adaptation" includes mitigation goals and strategies that meet or exceed the greenhouse gas emissions-reduction goals established by the state under section 216H.02, subdivision 1, and transportation targets established by the commissioner of transportation, including vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a, as well as plans and policies to address climate adaptation in the region. The commissioner of transportation must consult with the Metropolitan Council on transportation targets prior to establishing the targets.

(c) The adoption or amendment of a comprehensive plan, fiscal device, or official control that is consistent with or approved in connection with sections 473.858 to 473.865 shall not constitute conduct that causes or is likely to cause pollution, impairment, or destruction, as defined under section 116B.02, subdivision 5. Nothing in this paragraph prevents a challenge under chapter 116B to an individual project, as defined under Minnesota Rules, part 4410.0200, subpart 65.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all comprehensive plans and amendments authorized by the Metropolitan Council during the most recent decennial review under section 473.864, and local controls approved in accordance with those comprehensive plans and amendments.

Sec. 3. **ANOKA COUNTY; JAIL AND CRIMINAL JUSTICE CENTER.**

Subdivision 1. **Jail and criminal justice center.** Notwithstanding Minnesota Statutes, section 373.05, Anoka County may build a jail and criminal justice center in any city located within the county to replace the current jail located in the city of Anoka.

Subd. 2. **Sheriff's office.** Notwithstanding Minnesota Statutes, section 382.04, the sheriff of Anoka County may keep the sheriff's office in the jail and criminal justice center authorized under subdivision 1 instead of in the county seat.

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

Sec. 4. **REPEALER.**

(a) Minnesota Statutes 2022, section 471.9998, is repealed.

(b) Laws 1979, chapter 189, sections 1; 2, as amended by Laws 1984, chapter 548, section 8; and 3, are repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment. Paragraph (b) is effective the day after the governing body of the city of St. Paul and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 4  
MILITARY AND VETERANS AFFAIRS

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. <b>Veterans Health Care</b>	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."

Delete the title and insert:

"A bill for an act relating to state government; specifying administrative courts and work product data; modifying the Administrative Procedure Act; modifying certain salaries of employees of the Office of Administrative Hearings; making technical changes to Department of Administration, Department of Information Technology Services, and state personnel management provisions; establishing a state building renewable energy, storage, and electric vehicle account; changing a reporting date for a report; requiring reports of cybersecurity incidents; changing provisions for campaign practices complaints, Capitol complex security, cemeteries, certain licensed employment, Uniform Commercial Code, and notaries public; designating use of certain State Capitol space; modifying provisions for Hennepin County and Metropolitan Council; allowing Anoka County to build a jail and criminal justice center; modifying provisions 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; assessing penalties; requiring reports; transferring money from the general fund to the healthy and sustainable food options account; canceling certain funds; appropriating money; amending Minnesota Statutes 2022, sections 14.05, subdivision 7; 14.08; 14.16, subdivision 3; 14.26, subdivision 3a; 14.386; 14.388, subdivision 2; 14.3895, subdivisions 2, 6; 14.48, subdivision 2; 14.62, subdivision 2a; 15.994; 15A.083, subdivision 6a; 16B.055, subdivision 1; 16B.48, subdivision 4; 16B.54, subdivision 2; 16B.97, subdivision 1; 16B.98, subdivision 1; 16C.137, subdivision 2; 16D.09, subdivision 1; 16E.01, subdivision 2; 16E.03, subdivisions 3, 4, 5, 7; 16E.04, subdivisions 2, 3; 16E.07; 43A.316, subdivision 5; 161.14, by adding a subdivision; 193.143; 211B.33, subdivision 2; 211B.34, subdivisions 1, 2; 211B.35, subdivisions 1, 3; 299E.01, subdivision 2; 326.10, subdivision 8; 326A.04, subdivision 4; 336.1-110; 358.645, subdivision 2; 358.71; 359.01, subdivision 5; 359.03, subdivision 3; 383B.145, subdivision 5; Minnesota Statutes 2023 Supplement, sections 10.65, subdivision 2; 16E.01, subdivision 3; 16E.03, subdivision 2; 307.08, subdivision 3a; 473.145; Laws 2023, chapter 38, article 1, section 3, subdivision 3; Laws 2023, chapter 62, article 1, section 11, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapters 13; 14; 16B; 16E; repealing Minnesota Statutes 2022, sections 16E.035; 16E.0465, subdivisions 1, 2; 16E.055; 16E.20; 127A.095, subdivision 3; 211B.06; 471.9998; Laws 1979, chapter 189, sections 1; 2, as amended; 3."

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

The report was adopted.

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

H. F. No. 3911, A bill for an act relating to state government; modifying disposition of certain state revenue and property; modifying remedies, penalties, and enforcement; providing for boat wrap product stewardship; providing for compliance protocols for certain air pollution facilities; providing for recovery of certain state costs; establishing certain priorities in environmental regulation; prohibiting certain mercury-containing lighting; establishing and modifying grant and rebate programs; modifying recreational vehicle regulation; modifying use of state lands; providing for tree planting; extending Mineral Coordinating Committee; modifying game and fish laws; modifying Water Law; establishing Packaging Waste and Cost Reduction Act; providing for domestic hog control; modifying fur farm provisions; modifying pesticide and fertilizer regulation; modifying agricultural development provisions; creating task force; classifying data; providing criminal penalties; requiring studies and reports; requiring rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 13.7931, by adding a subdivision; 16A.125, subdivision 5; 16A.152, subdivision 1b; 18B.01, by adding a subdivision; 18C.005, by adding a subdivision; 21.81, by adding a subdivision; 84.027, subdivision 12; 84.0895, subdivision 1; 84.777, subdivisions 1, 3, by adding a subdivision; 84.871; 84.943, subdivision 5, by adding a subdivision; 88.82; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 97A.015, by adding a subdivision; 97A.105; 97A.341, subdivisions 1, 2, 3; 97A.345; 97A.425, subdivision 4, by adding a subdivision; 97A.475, subdivisions 2, 3; 97A.505, subdivision 8;

97A.512; 97A.56, subdivisions 1, 2, by adding a subdivision; 97B.001, by adding a subdivision; 97B.022, subdivisions 2, 3; 97B.516; 97C.001, subdivision 2; 97C.005, subdivision 2; 97C.395, as amended; 97C.411; 103B.101, subdivisions 12, 12a; 103F.211, subdivision 1; 103F.48, subdivision 7; 103G.005, subdivision 15; 103G.315, subdivision 15; 115.071, subdivisions 1, 3, 4, by adding subdivisions; 115A.02; 115A.03, by adding a subdivision; 115A.5502; 115B.421; 116.07, subdivision 9, by adding subdivisions; 116.072, subdivisions 2, 5; 116.11; 116.92, by adding a subdivision; 116D.02, subdivision 2; 473.845, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 16A.152, subdivision 2; 17.457, as amended; 21.86, subdivision 2; 41A.30, subdivisions 1, 3; 97B.071; 103B.104; 103F.06, by adding a subdivision; 103G.301, subdivision 2; 115.03, subdivision 1; 116P.09, subdivision 6; 116P.18; Laws 2023, chapter 60, article 1, section 3, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 84; 97A; 97C; 103F; 115A; 116; 473; repealing Minnesota Statutes 2022, sections 17.353; 84.033, subdivision 3; 84.926, subdivision 1; 97B.802; 115A.5501; Laws 2003, chapter 128, article 1, section 167, subdivision 1, as amended; Minnesota Rules, part 6100.0500, subpart 8d.

Reported the same back with the following amendments:

Page 6, after line 13, insert:

"(r) \$768,000 in fiscal year 2024 is appropriated from the minerals management account in the natural resources fund to the commissioner of natural resources for the Minnesota Gas and Oil Resources Technical Advisory Committee required in this act. This is a onetime appropriation and is available until June 30, 2027.

"(s) \$2,406,000 in fiscal year 2024 is appropriated from the minerals management account in the natural resources fund to the commissioner of natural resources to adopt a regulatory framework for gas and oil production in Minnesota and for rulemaking and is available until June 30, 2027."

Page 6, delete lines 21 to 27 and insert:

"(b) The base from the general fund to the Board of Water and Soil Resources for implementation of the drain tile seller's disclosure requirements under Minnesota Statutes, section 103F.49, and for educational efforts and demonstration projects consistent with the duties to manage the public drainage manual and work group under Minnesota Statutes, section 103B.101, subdivision 13, is \$230,000 in fiscal year 2026 and \$325,000 in fiscal year 2027 and beyond."

Page 9, delete sections 1 and 2

Page 16, line 30, delete the new language

Page 17, line 2, delete "or"

Page 17, line 3, delete "any person injured by such violation"

Page 56, after line 17, insert:

"Sec. 18. Minnesota Statutes 2022, section 93.25, subdivision 1, is amended to read:

Subdivision 1. **Leases.** The commissioner may issue leases to prospect for, mine, and remove or extract gas, oil, and minerals other than iron ore ~~upon~~ from any lands owned by the state, including trust fund lands, lands forfeited for nonpayment of taxes whether held in trust or otherwise, and lands otherwise acquired, and the beds of any waters belonging to the state. For purposes of this section, iron ore means iron-bearing material where the primary product is iron metal. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases.

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

Sec. 19. Minnesota Statutes 2022, section 93.25, subdivision 2, is amended to read:

Subd. 2. **Lease requirements.** All leases for nonferrous metallic minerals ~~or petroleum, gas, or oil~~ must be approved by the Executive Council, and any other mineral lease issued pursuant to this section that covers 160 or more acres must be approved by the Executive Council. The rents, royalties, terms, conditions, and covenants of all such leases ~~shall~~ must be fixed by the commissioner according to rules adopted by the commissioner, but no lease shall be for a longer term than 50 years, and all rents, royalties, terms, conditions, and covenants ~~shall~~ must be fully set forth in each lease issued. No nonferrous metallic mineral lease shall be canceled by the state for failure to meet production requirements prior to the 36th year of the lease. The rents and royalties ~~shall~~ must be credited to the funds as provided in section 93.22. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases.

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

Sec. 20. **[93.513] PROHIBITION ON PRODUCTION OF GAS OR OIL WITHOUT PERMIT.**

Subdivision 1. **Permit required.** Except as provided in section 103I.681, a person must not engage in or carry out production of gas or oil from consolidated or unconsolidated formations in the state unless the person has first obtained a permit for the production of gas or oil from the commissioner of natural resources. Any permit under this section must be protective of natural resources and require a demonstration of control of the extraction area through ownership, lease, or agreement. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. For purposes of this section, "production" includes extraction and beneficiation of gas or oil.

Subd. 2. **Moratorium.** Until rules are adopted under section 93.514, a permit authority may not grant a permit necessary for the production of gas or oil unless the permit authority has been given legislative approval to issue the permit.

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

Sec. 21. **[93.514] GAS AND OIL PRODUCTION RULEMAKING.**

(a) The following agencies may adopt rules governing gas and oil exploration or production, as applicable:

(1) the commissioner of the Pollution Control Agency may adopt or amend rules regulating air emissions; water discharges, including stormwater management; and storage tanks as they pertain to gas and oil production;

(2) the commissioner of health may adopt or amend rules on groundwater and surface water protection, exploratory boring construction, drilling registration and licensure, and inspections as they pertain to the exploration and appraisal of gas and oil resources;

(3) the Environmental Quality Board may adopt or amend rules to establish mandatory categories for environmental review as they pertain to gas and oil production;

(4) the commissioner of natural resources must adopt or amend rules pertaining to the conversion of an exploratory boring to a production well, pooling, spacing, unitization, well abandonment, siting, financial assurance, and reclamation for the production of gas and oil; and

(5) the commissioner of labor and industry may adopt or amend rules to protect workers from exposure and other potential hazards from gas and oil production.

(b) An agency adopting rules under this section must publish the notice of intent to adopt rules within 24 months of the effective date of this section. The 18-month time limit under section 14.125 does not apply to rules adopted under this section.

(c) For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. "Production" includes extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.

(d) Any grant of rulemaking authority in this section is in addition to existing rulemaking authority and does not replace, impair, or interfere with any existing rulemaking authority.

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

Sec. 22. **[93.516] GAS AND OIL LEASING.**

Subdivision 1. **Authority to lease.** (a) With the approval of the Executive Council, the commissioner of natural resources may enter into leases for gas or oil exploration and production from lands belonging to the state or in which the state has an interest.

(b) For purposes of this section, "gas or oil exploration and production" includes the exploration and production of both hydrocarbon and nonhydrocarbon gases, including noble gases. "Noble gases" means a group of gases that includes helium, neon, argon, krypton, xenon, radon, and oganesson. "Production" includes extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.

Subd. 2. **Application.** An application for a lease under this section must be submitted to the commissioner of natural resources. The commissioner must prescribe the information to be included in the application. The applicant must submit with the application a certified check, cashier's check, or bank money order payable to the Department of Natural Resources in the sum of \$100 as a fee for filing the application. The application fee must not be refunded under any circumstances. The right is reserved to the state to reject any or all applications for an oil or gas lease.

Subd. 3. **Lease terms.** The commissioner must negotiate the terms of each lease entered into under this section on a case-by-case basis, taking into account the unique geological and environmental aspects of each proposal, control of adjacent lands, and the best interests of the state. A lease entered into under this section must be consistent with the following:

(1) the primary term of the lease may not exceed five years plus the unexpired portion of the calendar year in which the lease is issued. The commissioner and applicant may negotiate the conditions by which the lease may be extended beyond the primary term, in whole or in part;

(2) a bonus consideration of not less than \$15 per acre must be paid by the applicant to the Department of Natural Resources before the lease is executed;

(3) the commissioner of natural resources may require an applicant to provide financial assurance to ensure payment of any damages resulting from the production of gas or oil;

(4) the rental rates must not be less than \$5 per acre per year for the unexpired portion of the calendar year in which the lease is issued and in years thereafter; and

(5) on gas and oil produced and sold by the lessee from the lease area, the lessee must pay a production royalty to the Department of Natural Resources of not less than 18.75 percent of the gross sales price of the product sold free on board at the delivery point, and the royalty must be credited as provided in section 93.22. For purposes of this section, "gross sales price" means the total consideration paid by the first purchaser that is not an affiliate of the lessee for gas or oil produced from the leased premises.

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

Page 73, after line 20, insert:

"Sec. 53. **MINNESOTA GAS AND OIL RESOURCES TECHNICAL ADVISORY COMMITTEE.**

(a) The commissioner of natural resources must appoint a Minnesota Gas and Oil Resources Technical Advisory Committee to develop recommendations according to paragraph (d). The commissioner may appoint representatives from the following entities to the technical advisory committee:

(1) the Pollution Control Agency;

(2) the Environmental Quality Board;

(3) the Department of Health;

(4) the Department of Revenue;

(5) the Office of the Attorney General;

(6) the University of Minnesota; and

(7) federal agencies.

(b) A majority of the committee members must be from state agencies, and all members must have expertise in at least one of the following areas: environmental review; air quality; water quality; taxation; mine permitting; mineral, gas, or oil exploration and development; well construction; law; or other areas related to gas or oil production.

(c) Members of the technical advisory committee may not be registered lobbyists.

(d) The technical advisory committee must make recommendations to the commissioner relating to the production of gas and oil in the state to guide the creation of a temporary regulatory framework that will govern permitting before the rules authorized in Minnesota Statutes, section 93.514, are adopted. The temporary framework must include recommendations on statutory and policy changes that govern permitting requirements and processes, financial assurance, taxation, boring monitoring and inspection protocols, environmental review, and other topics that provide for gas and oil production to be conducted in a manner that will reduce environmental impacts to the extent practicable, mitigate unavoidable impacts, and ensure that the production area is restored to a condition that protects natural resources and minimizes harm and that any ongoing maintenance required to protect natural resources is provided. The temporary framework must consider public testimony from stakeholders and Tribes, and the committee must hold at least one public meeting on this topic. Recommendations must include draft legislative language.

(e) By January 15, 2025, the commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment recommendations for statutory and policy changes to facilitate gas and oil exploration and production in this state and to support the issuance of temporary permits issued under the temporary framework in a manner that benefits the people of Minnesota while adequately protecting the state's natural resources.

(f) For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. For purposes of this section, "production" includes extraction and beneficiation from consolidated or unconsolidated formations in the state.

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

Page 128, lines 10 to 12, delete the new language

Page 128, delete section 6

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "revenue and"

Page 1, line 9, after the first semicolon, insert "providing for gas and oil exploration and production leases and permits on state-owned land;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 4975, A bill for an act relating to state government; repealing the renewable development account report; amending Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
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 63, article 9, 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><b>APPROPRIATIONS</b></u> <u><b>Available for the Year</b></u> <u><b>Ending June 30</b></u>	
	<u><b>2024</b></u>	<u><b>2025</b></u>
Sec. 2. <u><b>OFFICE OF CANNABIS MANAGEMENT</b></u>	<u><b>\$-0-</b></u>	<u><b>\$2,727,000</b></u>
<u><b>(a) Enforcement of Temporary Regulations</b></u>		
<u>\$1,107,000 in fiscal year 2025 is for regulation of products subject to the requirements of Minnesota Statutes, section 151.72. This is a onetime appropriation.</u>		
<u><b>(b) Product Testing</b></u>		
<u>\$771,000 in fiscal year 2025 is for testing products regulated under Minnesota Statutes, section 151.72, and chapter 342. The base for this appropriation is \$690,000 in fiscal year 2026 and each year thereafter.</u>		
<u><b>(c) Reference Laboratory</b></u>		
<u>\$849,000 in fiscal year 2025 is to operate a state reference laboratory. The base for this appropriation is \$632,000 in fiscal year 2026 and \$696,000 in fiscal year 2027.</u>		
Sec. 3. <u><b>DEPARTMENT OF HEALTH</b></u>	<u><b>\$-0-</b></u>	<u><b>\$5,500,000</b></u>
<u>\$5,500,000 in fiscal year 2025 is for the purposes outlined in Minnesota Statutes, section 342.72.</u>		
Sec. 4. <u><b>ATTORNEY GENERAL.</b></u>		
<u>The general fund appropriation base for the attorney general is increased by \$988,000 in fiscal year 2026 and \$748,000 in fiscal year 2027 for staffing and other costs related to potential violations, compliance monitoring, and enforcement of the Minnesota Consumer Data Privacy Act.</u>		
Sec. 5. Laws 2023, chapter 63, article 9, section 10, is amended to read:		
Sec. 10. <b>HEALTH</b>		
Subdivision 1. <b>Total Appropriation</b>	<b>\$3,300,000</b>	<b>\$ <del>20,252,000</del> <u>17,525,000</u></b>

The base for this appropriation is ~~\$19,064,000~~ \$17,742,000 in fiscal year 2026 and ~~each fiscal year thereafter~~ \$17,678,000 in fiscal year 2027.

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

Subd. 2. <b>Youth <u>Prevention and Education Program</u></b>	-0-	<del>5,000,000</del> <u>4,363,000</u>
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For administration and grants under Minnesota Statutes, section 144.197, subdivision 1. Of the amount appropriated, \$2,863,000 is for program operations and administration and \$1,500,000 is for grants. The base for this appropriation is \$4,534,000 in fiscal year 2026 and \$4,470,000 in fiscal year 2027.

Subd. 3. <b><u>Prevention and Education Grants for Pregnant or Breastfeeding Individuals</u></b>	-0-	<del>2,000,000</del> <u>1,788,000</u>
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For grants under a coordinated prevention and education program for pregnant and breastfeeding individuals under Minnesota Statutes, section 144.197, subdivision 2. The base for this appropriation is \$1,834,000 beginning in fiscal year 2026.

Subd. 4. <b>Local and Tribal Health Departments</b>	-0-	10,000,000
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For administration and grants under Minnesota Statutes, section 144.197, subdivision 4. Of the amount appropriated, \$1,094,000 is for administration and \$8,906,000 is for grants.

Subd. 5. <b>Cannabis Data Collection and Biennial Reports</b>	493,000	493,000
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For reports under Minnesota Statutes, section 144.196.

Subd. 6. <b>Administration for Expungement Orders</b>	71,000	71,000
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For administration related to orders issued by the Cannabis Expungement Board. The base for this appropriation is \$71,000 in fiscal year 2026, \$71,000 in fiscal year 2027, \$71,000 in fiscal year 2028, \$71,000 in fiscal year 2029, and \$0 in fiscal year 2030.

Subd. 7. <b>Grants to the Minnesota Poison Control System</b>	910,000	810,000
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For administration and grants under Minnesota Statutes, section 145.93. Of the amount appropriated in fiscal year 2025, \$15,000 is for administration and \$795,000 is for grants.

Subd. 8. <b>Temporary Regulation of Edible Products Extracted from Hemp</b>	1,107,000	<del>1,107,000</del> -0-
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For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. The commissioner may transfer encumbrances and unobligated amounts to the Office of Cannabis Management for this purpose. This is a onetime appropriation.

**Subd. 9. Testing.**

719,000

~~771,000~~ -0-

For testing of edible cannabinoid products. ~~The base for this appropriation is \$690,000 in fiscal year 2026 and each fiscal year thereafter. The commissioner may transfer encumbrances and unobligated amounts to the Office of Cannabis Management for this purpose.~~

Sec. 6. Laws 2023, chapter 63, article 9, section 19, is amended to read:

**Sec. 19. APPROPRIATION AND BASE REDUCTIONS.**

~~(a) The commissioner of management and budget must reduce general fund appropriations to the commissioner of corrections by \$165,000 in fiscal year 2024 and \$368,000 in fiscal year 2025. The commissioner must reduce the base for general fund appropriations to the commissioner of corrections by \$460,000 in fiscal year 2026 and \$503,000 in fiscal year 2027.~~

~~(b) The commissioner of management and budget must reduce general fund appropriations to the commissioner of health by \$260,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for general fund appropriations to the commissioner of health by \$781,000 in fiscal year 2026 and each fiscal year thereafter.~~

~~(c) The commissioner of management and budget must reduce state government special revenue fund appropriations to the commissioner of health by \$1,141,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for state government special revenue fund appropriations to the commissioner of health by \$3,424,000 in fiscal year 2026 and each fiscal year thereafter.~~

Sec. 7. Laws 2023, chapter 63, article 9, section 20, is amended to read:

**Sec. 20. TRANSFERS.**

~~(a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal cannabis industry. The base for this transfer is \$1,000,000 in fiscal year 2026 and each fiscal year thereafter. The commissioner may use up to six percent of the amount transferred for administrative costs. The commissioner shall give priority to applications from employers who are, or who are training employees who are, eligible to be social equity applicants under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance from this transfer may be used for grants to any eligible employer under Minnesota Statutes, section 136A.246.~~

~~(b) \$5,500,000 in fiscal year 2024 and \$5,500,000 in fiscal year 2025 are transferred from the general fund to the substance use treatment, recovery, and prevention grant account established under Minnesota Statutes, section 342.72. The base for this transfer is \$5,500,000 in fiscal year 2026 and each fiscal year thereafter.~~

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

ARTICLE 2  
CANNABIS AND HEALTH-RELATED RESPONSIBILITIES

Section 1. Minnesota Statutes 2023 Supplement, section 144.197, is amended to read:

**144.197 CANNABIS AND SUBSTANCE MISUSE PREVENTION AND EDUCATION PROGRAMS.**

Subdivision 1. **Youth prevention and education program.** The commissioner of health, in consultation with the commissioners of human services and education and in collaboration with local health departments ~~and Tribal health departments,~~ shall conduct a long-term, coordinated ~~education~~ program to raise public awareness about ~~and address the top three substance misuse prevention, treatment options, and recovery options.~~ The program must address adverse health effects, ~~as determined by the commissioner,~~ associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 25. In conducting this education program, the commissioner shall engage and consult with youth around the state on program content and on methods to effectively disseminate program information to youth around the state.

Subd. 2. **Prevention and education program for pregnant and breastfeeding individuals; and individuals who may become pregnant.** The commissioner of health, in consultation with the commissioners of human services and education, shall conduct a long-term, coordinated prevention program ~~to educate~~ focused on (1) preventing substance use by pregnant individuals, breastfeeding individuals, and individuals who may become pregnant, and (2) raising public awareness of the risks of substance use while pregnant or breastfeeding. The program must include education on the adverse health effects of prenatal exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and on the adverse health effects experienced by infants and children who are exposed to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in breast milk, from secondhand smoke, or by ingesting cannabinoid products. ~~This~~ The prevention and education program must also educate individuals on what constitutes a substance use disorder, signs of a substance use disorder, and treatment options for persons with a substance use disorder. The prevention and education program must also provide resources, including training resources, technical assistance, or educational materials, to local public health home visiting programs, Tribal home visiting programs, and child welfare workers.

Subd. 3. **Home visiting programs.** The commissioner of health shall provide training, technical assistance, and education materials to local public health home visiting programs and Tribal home visiting programs and child welfare workers regarding the safe and unsafe use of cannabis flower, cannabis products, lower potency hemp edibles, or hemp derived consumer products in homes with infants and young children. ~~Training, technical assistance, and education materials shall address substance use, the signs of a substance use disorder, treatment options for persons with a substance use disorder, the dangers of driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp derived consumer products, how to safely consume cannabis flower, cannabis products, lower potency hemp edibles, or hemp derived consumer products in homes with infants and young children, and how to prevent infants and young children from being exposed to cannabis flower, cannabis products, lower potency hemp edibles, or hemp derived consumer products by ingesting cannabinoid products or through secondhand smoke.~~

Subd. 4. **Local and Tribal health departments.** The commissioner of health shall distribute grants to local health departments and Tribal health departments for ~~these~~ the departments to create ~~and disseminate educational materials on cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products and to provide safe use and prevention training, education, technical assistance, and community engagement regarding cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products.~~ prevention, education, and recovery programs focusing on substance misuse prevention and treatment options. The programs may include specific cannabis-related initiatives.

Sec. 2. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a subdivision to read:

Subd. 1a. **Transmission of fees.** A cannabis business background check account is established as a separate account in the special revenue fund. All fees received by the office under subdivision 1 must be deposited in the account and are appropriated to the office to pay for the criminal records checks conducted by the Bureau of Criminal Apprehension and Federal Bureau of Investigation.

Sec. 3. Minnesota Statutes 2023 Supplement, section 342.72, is amended to read:

### **342.72 SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION GRANTS.**

~~Subdivision 1. **Account Grant program established; appropriation.** A substance use treatment, recovery, and prevention grant account program is created in the special revenue fund established and must be administered by the commissioner of health. Money in the account, including interest earned, is appropriated to the office for the purposes specified in this section. Of the amount transferred from the general fund to the account, the office may use up to five percent for administrative expenses.~~

~~Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016, the office may accept money contributed by individuals and may apply for grants from charitable foundations to be used for the purposes identified in this section. The money accepted under this section must be deposited in the substance use treatment, recovery, and prevention grant account created under subdivision 1.~~

~~Subd. 3. **Disposition of money; grants.** (a) Money in the Substance use treatment, recovery, and prevention grant account grants must be distributed as follows:~~

~~(1) at least 75 percent of the money is for grants for substance use disorder and mental health recovery and prevention programs. Funds must be used for recovery and prevention activities, including substance use prevention for youth, and supplies that assist individuals and families to initiate, stabilize, and maintain long-term recovery from substance use disorders and co-occurring mental health conditions. Recovery and prevention activities may include prevention education, school-linked behavioral health, school-based peer programs, peer supports, self-care and wellness, culturally specific healing, community public awareness, mutual aid networks, telephone recovery checkups, mental health warmlines, harm reduction, recovery community organization development, first episode psychosis programs, and recovery housing; and~~

~~(2) up to 25 percent of the money is for substance use disorder treatment programs as defined in chapter 245G and may be used to implement, strengthen, or expand supportive services and activities that are not covered by medical assistance under chapter 256B, MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B. Services and activities may include adoption or expansion of evidence-based practices; competency-based training; continuing education; culturally specific and culturally responsive services; sober recreational activities; developing referral relationships; family preservation and healing; and start-up or capacity funding for programs that specialize in adolescent, culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family treatment services.~~

~~(b) The office commissioner of health shall consult with the Governor's Advisory Council on Opioids, Substance Use, and Addiction; the commissioner of human services; and the commissioner of health the Office of Cannabis Management to develop an appropriate application process, establish grant requirements, determine what organizations are eligible to receive grants, and establish reporting requirements for grant recipients.~~

~~Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter year, the office commissioner of health must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over health and human services policy and finance that~~

details ~~grants awarded from~~ the substance use treatment, recovery, and prevention ~~grant account~~ grants awarded, including the total amount awarded, total number of recipients, and geographic distribution of those recipients. Notwithstanding section 144.05, subdivision 7, the reporting requirement under this subdivision does not expire.

Sec. 4. **REPORT BY THE COMMISSIONER OF COMMERCE.**

By January 30, 2025, the commissioner of commerce must report to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce, health, and human services, regarding the balance of the premium security plan account under Minnesota Statutes, section 62E.25, subdivision 1, the estimated cost to continue the premium security plan, and the plan's future interactions with public health programs. The report must include an assessment of potential alternatives that would be available upon expiration of the current waiver.

ARTICLE 3  
INSURANCE ASSESSMENTS AND FEES

Section 1. Minnesota Statutes 2022, section 45.0135, subdivision 7, is amended to read:

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13. ~~The assessment is calculated to be an amount up to the following~~ Beginning with the payment due on or before June 1, 2024, the assessment amount is:

Total Assets	Assessment
Less than \$100,000,000	\$ <del>200</del> <u>400</u>
\$100,000,000 to \$1,000,000,000	\$ <del>750</del> <u>1,500</u>
Over \$1,000,000,000	\$ <del>2,000</del> <u>4,000</u>
Minnesota Written Premium	Assessment
Less than \$10,000,000	\$ <del>200</del> <u>400</u>
\$10,000,000 to \$100,000,000	\$ <del>750</del> <u>1,500</u>
Over \$100,000,000	\$ <del>2,000</del> <u>4,000</u>

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

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

Sec. 2. Minnesota Statutes 2022, section 62Q.73, subdivision 3, is amended to read:

Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an enrollee who has received an adverse determination may submit a written request for an external review of the adverse determination, if applicable under section 62Q.68, subdivision 1, or 62M.06, to the commissioner of health if the request involves a health plan company regulated by that commissioner or to the commissioner of commerce if the request involves a health plan company regulated by that commissioner. Notification of the enrollee's right to external review must accompany the denial issued by the insurer. ~~The written request must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner of health or commerce in cases of financial hardship and must be refunded if the adverse determination is completely reversed. No enrollee may be subject to filing fees totaling more than \$75 during a plan year for group coverage or policy year for individual coverage.~~

(b) Nothing in this section requires the commissioner of health or commerce to independently investigate an adverse determination referred for independent external review.

(c) If an enrollee requests an external review, the health plan company must participate in the external review. The cost of the external review ~~in excess of the filing fee described in paragraph (a) shall~~ must be borne by the health plan company.

(d) The enrollee must request external review within six months from the date of the adverse determination.

#### ARTICLE 4 CONSUMER DATA PRIVACY

##### Section 1. [13.6505] ATTORNEY GENERAL DATA CODED ELSEWHERE.

Subdivision 1. **Scope.** The section referred to in this section is codified outside this chapter. Those sections classify attorney general data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Data privacy and protection assessments.** A data privacy and protection assessment collected or maintained by the attorney general is classified under section 325O.08.

##### Sec. 2. [325O.01] CITATION.

This chapter may be cited as the "Minnesota Consumer Data Privacy Act."

##### Sec. 3. [325O.02] DEFINITIONS.

(a) For purposes of this chapter, the following terms have the meanings given.

(b) "Affiliate" means a legal entity that controls, is controlled by, or is under common control with another legal entity. For purposes of this paragraph, "control" or "controlled" means: ownership of or the power to vote more than 50 percent of the outstanding shares of any class of voting security of a company; control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or the power to exercise a controlling influence over the management of a company.

(c) "Authenticate" means to use reasonable means to determine that a request to exercise any of the rights under section 325O.05, subdivision 1, paragraphs (b) to (h), is being made by or rightfully on behalf of the consumer who is entitled to exercise the rights with respect to the personal data at issue.

(d) "Biometric data" means data generated by automatic measurements of an individual's biological characteristics, including a fingerprint, a voiceprint, eye retinas, irises, or other unique biological patterns or characteristics that are used to identify a specific individual. Biometric data does not include:

(1) a digital or physical photograph;

(2) an audio or video recording; or

(3) any data generated from a digital or physical photograph, or an audio or video recording, unless the data is generated to identify a specific individual.

(e) "Child" has the meaning given in United States Code, title 15, section 6501.

(f) "Consent" means any freely given, specific, informed, and unambiguous indication of the consumer's wishes by which the consumer signifies agreement to the processing of personal data relating to the consumer. Acceptance of a general or broad terms of use or similar document that contains descriptions of personal data processing along with other, unrelated information does not constitute consent. Hovering over, muting, pausing, or closing a given piece of content does not constitute consent. A consent is not valid when the consumer's indication has been obtained by a dark pattern. A consumer may revoke consent previously given, consistent with this chapter.

(g) "Consumer" means a natural person who is a Minnesota resident acting only in an individual or household context. Consumer does not include a natural person acting in a commercial or employment context.

(h) "Controller" means the natural or legal person who, alone or jointly with others, determines the purposes and means of the processing of personal data.

(i) "Decisions that produce legal or similarly significant effects concerning the consumer" means decisions made by the controller that result in the provision or denial by the controller of financial or lending services, housing, insurance, education enrollment or opportunity, criminal justice, employment opportunities, health care services, or access to essential goods or services.

(j) "Dark pattern" means a user interface designed or manipulated with the substantial effect of subverting or impairing user autonomy, decision making, or choice.

(k) "Deidentified data" means data that cannot reasonably be used to infer information about or otherwise be linked to an identified or identifiable natural person or a device linked to an identified or identifiable natural person, provided that the controller that possesses the data:

(1) takes reasonable measures to ensure that the data cannot be associated with a natural person;

(2) publicly commits to process the data only in a deidentified fashion and not attempt to reidentify the data; and

(3) contractually obligates any recipients of the information to comply with all provisions of this paragraph.

(l) "Delete" means to remove or destroy information so that it is not maintained in human- or machine-readable form and cannot be retrieved or utilized in the ordinary course of business.

(m) "Genetic information" has the meaning given in section 13.386, subdivision 1.

(n) "Identified or identifiable natural person" means a person who can be readily identified, directly or indirectly.

(o) "Known child" means a person under circumstances where a controller has actual knowledge of, or willfully disregards, that the person is under 13 years of age.

(p) "Personal data" means any information that is linked or reasonably linkable to an identified or identifiable natural person. Personal data does not include deidentified data or publicly available information. For purposes of this paragraph, "publicly available information" means information that (1) is lawfully made available from federal, state, or local government records or widely distributed media, or (2) a controller has a reasonable basis to believe has lawfully been made available to the general public.

(q) "Process" or "processing" means any operation or set of operations that are performed on personal data or on sets of personal data, whether or not by automated means, including but not limited to the collection, use, storage, disclosure, analysis, deletion, or modification of personal data.

(r) "Processor" means a natural or legal person who processes personal data on behalf of a controller.

(s) "Profiling" means any form of automated processing of personal data to evaluate, analyze, or predict personal aspects related to an identified or identifiable natural person's economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(t) "Pseudonymous data" means personal data that cannot be attributed to a specific natural person without the use of additional information, provided that the additional information is kept separately and is subject to appropriate technical and organizational measures to ensure that the personal data are not attributed to an identified or identifiable natural person.

(u) "Sale," "sell," or "sold" means the exchange of personal data for monetary or other valuable consideration by the controller to a third party. Sale does not include the following:

(1) the disclosure of personal data to a processor who processes the personal data on behalf of the controller;

(2) the disclosure of personal data to a third party for purposes of providing a product or service requested by the consumer;

(3) the disclosure or transfer of personal data to an affiliate of the controller;

(4) the disclosure of information that the consumer intentionally made available to the general public via a channel of mass media and did not restrict to a specific audience;

(5) the disclosure or transfer of personal data to a third party as an asset that is part of a completed or proposed merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the controller's assets; or

(6) the exchange of personal data between the producer of a good or service and authorized agents of the producer who sell and service the goods and services, to enable the cooperative provisioning of goods and services by both the producer and the producer's agents.

(v) Sensitive data is a form of personal data. "Sensitive data" means:

(1) personal data revealing racial or ethnic origin, religious beliefs, mental or physical health condition or diagnosis, sexual orientation, or citizenship or immigration status;

(2) the processing of biometric data or genetic information for the purpose of uniquely identifying an individual;

(3) the personal data of a known child; or

(4) specific geolocation data.

(w) "Specific geolocation data" means information derived from technology, including but not limited to global positioning system level latitude and longitude coordinates or other mechanisms, that directly identifies the geographic coordinates of a consumer or a device linked to a consumer with an accuracy of more than three decimal degrees of latitude and longitude or the equivalent in an alternative geographic coordinate system, or a street address derived from the coordinates. Specific geolocation data does not include the content of communications, the contents of databases containing street address information which are accessible to the public as authorized by law, or any data generated by or connected to advanced utility metering infrastructure systems or other equipment for use by a public utility.

(x) "Targeted advertising" means displaying advertisements to a consumer where the advertisement is selected based on personal data obtained or inferred from the consumer's activities over time and across nonaffiliated websites or online applications to predict the consumer's preferences or interests. Targeted advertising does not include:

(1) advertising based on activities within a controller's own websites or online applications;

(2) advertising based on the context of a consumer's current search query or visit to a website or online application;

(3) advertising to a consumer in response to the consumer's request for information or feedback; or

(4) processing personal data solely for measuring or reporting advertising performance, reach, or frequency.

(y) "Third party" means a natural or legal person, public authority, agency, or body other than the consumer, controller, processor, or an affiliate of the processor or the controller.

(z) "Trade secret" has the meaning given in section 325C.01, subdivision 5.

Sec. 4. **[3250.03] SCOPE; EXCLUSIONS.**

Subdivision 1. **Scope.** (a) This chapter applies to legal entities that conduct business in Minnesota or produce products or services that are targeted to residents of Minnesota, and that satisfy one or more of the following thresholds:

(1) during a calendar year, controls or processes personal data of 100,000 consumers or more, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or

(2) derives over 25 percent of gross revenue from the sale of personal data and processes or controls personal data of 25,000 consumers or more.

(b) A controller or processor acting as a technology provider under section 13.32 shall comply with this chapter and section 13.32, except that when the provisions of section 13.32 conflict with this chapter, section 13.32 prevails.

Subd. 2. **Exclusions.** (a) This chapter does not apply to the following entities, activities, or types of information:

(1) a government entity, as defined by section 13.02, subdivision 7a;

(2) a federally recognized Indian tribe;

(3) information that meets the definition of:

(i) protected health information, as defined by and for purposes of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) health records, as defined in section 144.291, subdivision 2;

(iii) patient identifying information for purposes of Code of Federal Regulations, title 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

(iv) identifiable private information for purposes of the federal policy for the protection of human subjects, Code of Federal Regulations, title 45, part 46; identifiable private information that is otherwise information collected as part of human subjects research pursuant to the good clinical practice guidelines issued by the International Council for Harmonisation; the protection of human subjects under Code of Federal Regulations, title 21, parts 50 and 56; or personal data used or shared in research conducted in accordance with one or more of the requirements set forth in this paragraph;

(v) information and documents created for purposes of the federal Health Care Quality Improvement Act of 1986, Public Law 99-660, and related regulations; or

(vi) patient safety work product for purposes of Code of Federal Regulations, title 42, part 3, established pursuant to United States Code, title 42, sections 299b-21 to 299b-26;

(4) information that is derived from any of the health care-related information listed in clause (3), but that has been deidentified in accordance with the requirements for deidentification set forth in Code of Federal Regulations, title 45, part 164;

(5) information originating from, and intermingled to be indistinguishable with, any of the health care-related information listed in clause (3) that is maintained by:

(i) a covered entity or business associate, as defined by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) a health care provider, as defined in section 144.291, subdivision 2; or

(iii) a program or a qualified service organization, as defined by Code of Federal Regulations, title 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

(6) information that is:

(i) maintained by an entity that meets the definition of health care provider under Code of Federal Regulations, title 45, section 160.103, to the extent that the entity maintains the information in the manner required of covered entities with respect to protected health information for purposes of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) included in a limited data set, as described under Code of Federal Regulations, title 45, part 164.514(e), to the extent that the information is used, disclosed, and maintained in the manner specified by that part;

(iii) maintained by, or maintained to comply with the rules or orders of, a self-regulatory organization as defined by United States Code, title 15, section 78c(a)(26); or

(iv) originated from, or intermingled with, information described in clause (9) and that a licensed residential mortgage originator, as defined under section 58.02, subdivision 19, or residential mortgage servicer, as defined under section 58.02, subdivision 20, collects, processes, uses, or maintains in the same manner as required under the laws and regulations specified in clause (9);

(7) information used only for public health activities and purposes, as described under Code of Federal Regulations, title 45, part 164.512;

(8) an activity involving the collection, maintenance, disclosure, sale, communication, or use of any personal data bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, as defined in United States Code, title 15, section 1681a(f), by a furnisher of information, as set forth in United States Code, title 15, section 1681s-2, who provides information for use in a consumer report, as defined in United States Code, title 15, section 1681a(d), and by a user of a consumer report, as set forth in United States Code, title 15, section 1681b, except that information is only excluded under this paragraph to the extent that the activity involving the collection, maintenance, disclosure, sale, communication, or use of the information by the agency, furnisher, or user is subject to regulation under the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x, and the information is not collected, maintained, used, communicated, disclosed, or sold except as authorized by the Fair Credit Reporting Act;

(9) personal data collected, processed, sold, or disclosed pursuant to the federal Gramm-Leach-Bliley Act, Public Law 106-102, and implementing regulations, if the collection, processing, sale, or disclosure is in compliance with that law;

(10) personal data collected, processed, sold, or disclosed pursuant to the federal Driver's Privacy Protection Act of 1994, United States Code, title 18, sections 2721 to 2725, if the collection, processing, sale, or disclosure is in compliance with that law;

(11) personal data regulated by the federal Family Educational Rights and Privacy Act, United States Code, title 20, section 1232g, and implementing regulations;

(12) personal data collected, processed, sold, or disclosed pursuant to the federal Farm Credit Act of 1971, as amended, United States Code, title 12, sections 2001 to 2279cc, and implementing regulations, Code of Federal Regulations, title 12, part 600, if the collection, processing, sale, or disclosure is in compliance with that law;

(13) data collected or maintained:

(i) in the course of an individual acting as a job applicant to or an employee, owner, director, officer, medical staff member, or contractor of a business if the data is collected and used solely within the context of the role;

(ii) as the emergency contact information of an individual under item (i) if used solely for emergency contact purposes; or

(iii) that is necessary for the business to retain to administer benefits for another individual relating to the individual under item (i) if used solely for the purposes of administering those benefits;

(14) personal data collected, processed, sold, or disclosed pursuant to the Minnesota Insurance Fair Information Reporting Act in sections 72A.49 to 72A.505;

(15) data collected, processed, sold, or disclosed as part of a payment-only credit, check, or cash transaction where no data about consumers, as defined in section 325O.02, are retained;

(16) a state or federally chartered bank or credit union, or an affiliate or subsidiary that is principally engaged in financial activities, as described in United States Code, title 12, section 1843(k);

(17) information that originates from, or is intermingled so as to be indistinguishable from, information described in clause (8) and that a person licensed under chapter 56 collects, processes, uses, or maintains in the same manner as is required under the laws and regulations specified in clause (8);

(18) an insurance company, as defined in section 60A.02, subdivision 4, an insurance producer, as defined in section 60K.31, subdivision 6, a third-party administrator of self-insurance, or an affiliate or subsidiary of any entity identified in this clause that is principally engaged in financial activities, as described in United States Code, title 12, section 1843(k), except that this clause does not apply to a person that, alone or in combination with another person, establishes and maintains a self-insurance program that does not otherwise engage in the business of entering into policies of insurance;

(19) a small business, as defined by the United States Small Business Administration under Code of Federal Regulations, title 13, part 121, except that a small business identified in this clause is subject to section 325O.075;

(20) a nonprofit organization that is established to detect and prevent fraudulent acts in connection with insurance; and

(21) an air carrier subject to the federal Airline Deregulation Act, Public Law 95-504, only to the extent that an air carrier collects personal data related to prices, routes, or services and only to the extent that the provisions of the Airline Deregulation Act preempt the requirements of this chapter.

(b) Controllers that are in compliance with the Children's Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and implementing regulations, shall be deemed compliant with any obligation to obtain parental consent under this chapter.

Sec. 5. **[325O.04] RESPONSIBILITY ACCORDING TO ROLE.**

(a) Controllers and processors are responsible for meeting the respective obligations established under this chapter.

(b) Processors are responsible under this chapter for adhering to the instructions of the controller and assisting the controller to meet the controller's obligations under this chapter. Assistance under this paragraph shall include the following:

(1) taking into account the nature of the processing, the processor shall assist the controller by appropriate technical and organizational measures, insofar as this is possible, for the fulfillment of the controller's obligation to respond to consumer requests to exercise their rights pursuant to section 325O.05; and

(2) taking into account the nature of processing and the information available to the processor, the processor shall assist the controller in meeting the controller's obligations in relation to the security of processing the personal data and in relation to the notification of a breach of the security of the system pursuant to section 325E.61, and shall provide information to the controller necessary to enable the controller to conduct and document any data privacy and protection assessments required by section 325O.08.

(c) A contract between a controller and a processor shall govern the processor's data processing procedures with respect to processing performed on behalf of the controller. The contract shall be binding and clearly set forth instructions for processing data, the nature and purpose of processing, the type of data subject to processing, the duration of processing, and the rights and obligations of both parties. The contract shall also require that the processor:

(1) ensure that each person processing the personal data is subject to a duty of confidentiality with respect to the data; and

(2) engage a subcontractor only (i) after providing the controller with an opportunity to object, and (ii) pursuant to a written contract in accordance with paragraph (e) that requires the subcontractor to meet the obligations of the processor with respect to the personal data.

(d) Taking into account the context of processing, the controller and the processor shall implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk and establish a clear allocation of the responsibilities between the controller and the processor to implement the technical and organizational measures.

(e) Processing by a processor shall be governed by a contract between the controller and the processor that is binding on both parties and that sets out the processing instructions to which the processor is bound, including the nature and purpose of the processing, the type of personal data subject to the processing, the duration of the processing, and the obligations and rights of both parties. The contract shall include the requirements imposed by this paragraph, paragraphs (c) and (d), as well as the following requirements:

(1) at the choice of the controller, the processor shall delete or return all personal data to the controller as requested at the end of the provision of services, unless retention of the personal data is required by law;

(2) upon a reasonable request from the controller, the processor shall make available to the controller all information necessary to demonstrate compliance with the obligations in this chapter; and

(3) the processor shall allow for, and contribute to, reasonable assessments and inspections by the controller or the controller's designated assessor. Alternatively, the processor may arrange for a qualified and independent assessor to conduct, at least annually and at the processor's expense, an assessment of the processor's policies and technical and organizational measures in support of the obligations under this chapter. The assessor must use an appropriate and accepted control standard or framework and assessment procedure for assessments as applicable, and shall provide a report of an assessment to the controller upon request.

(f) In no event shall any contract relieve a controller or a processor from the liabilities imposed on a controller or processor by virtue of the controller's or processor's roles in the processing relationship under this chapter.

(g) Determining whether a person is acting as a controller or processor with respect to a specific processing of data is a fact-based determination that depends upon the context in which personal data are to be processed. A person that is not limited in the person's processing of personal data pursuant to a controller's instructions, or that fails to adhere to a controller's instructions, is a controller and not a processor with respect to a specific processing of data. A processor that continues to adhere to a controller's instructions with respect to a specific processing of personal data remains a processor. If a processor begins, alone or jointly with others, determining the purposes and means of the processing of personal data, the processor is a controller with respect to the processing.

#### **Sec. 6. [3250.05] CONSUMER PERSONAL DATA RIGHTS.**

**Subdivision 1. Consumer rights provided.** (a) Except as provided in this chapter, a controller must comply with a request to exercise the consumer rights provided in this subdivision.

(b) A consumer has the right to confirm whether or not a controller is processing personal data concerning the consumer and access the categories of personal data the controller is processing.

(c) A consumer has the right to correct inaccurate personal data concerning the consumer, taking into account the nature of the personal data and the purposes of the processing of the personal data.

(d) A consumer has the right to delete personal data concerning the consumer.

(e) A consumer has the right to obtain personal data concerning the consumer, which the consumer previously provided to the controller, in a portable and, to the extent technically feasible, readily usable format that allows the consumer to transmit the data to another controller without hindrance, where the processing is carried out by automated means.

(f) A consumer has the right to opt out of the processing of personal data concerning the consumer for purposes of targeted advertising, the sale of personal data, or profiling in furtherance of automated decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer.

(g) If a consumer's personal data is profiled in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer, the consumer has the right to question the result of the profiling, to be informed of the reason that the profiling resulted in the decision, and, if feasible, to be informed of what actions the consumer might have taken to secure a different decision and the actions that the consumer might take to secure a different decision in the future. The consumer has the right to review the consumer's personal data used in the profiling. If the decision is determined to have been based upon inaccurate personal data, taking into account the nature of the personal data and the purposes of the processing of the personal data, the consumer has the right to have the data corrected and the profiling decision reevaluated based upon the corrected data.

(h) A consumer has a right to obtain a list of the specific third parties to which the controller has disclosed the consumer's personal data. If the controller does not maintain the information in a format specific to the consumer, a list of specific third parties to whom the controller has disclosed any consumers' personal data may be provided instead.

**Subd. 2. Exercising consumer rights.** (a) A consumer may exercise the rights set forth in this section by submitting a request, at any time, to a controller specifying which rights the consumer wishes to exercise.

(b) In the case of processing personal data concerning a known child, the parent or legal guardian of the known child may exercise the rights of this chapter on the child's behalf.

(c) In the case of processing personal data concerning a consumer legally subject to guardianship or conservatorship under sections 524.5-101 to 524.5-502, the guardian or the conservator of the consumer may exercise the rights of this chapter on the consumer's behalf.

(d) A consumer may designate another person as the consumer's authorized agent to exercise the consumer's right to opt out of the processing of the consumer's personal data for purposes of targeted advertising and sale under subdivision 1, paragraph (f), on the consumer's behalf. A consumer may designate an authorized agent by way of, among other things, a technology, including but not limited to an Internet link or a browser setting, browser extension, or global device setting, indicating the consumer's intent to opt out of the processing. A controller shall comply with an opt-out request received from an authorized agent if the controller is able to verify, with commercially reasonable effort, the identity of the consumer and the authorized agent's authority to act on the consumer's behalf.

**Subd. 3. Universal opt-out mechanisms.** (a) A controller must allow a consumer to opt out of any processing of the consumer's personal data for the purposes of targeted advertising, or any sale of the consumer's personal data through an opt-out preference signal sent, with the consumer's consent, by a platform, technology, or mechanism to the controller indicating the consumer's intent to opt out of the processing or sale. The platform, technology, or mechanism must:

(1) not unfairly disadvantage another controller;

(2) not make use of a default setting, but require the consumer to make an affirmative, freely given, and unambiguous choice to opt out of the processing of the consumer's personal data;

(3) be consumer-friendly and easy to use by the average consumer;

(4) be as consistent as possible with any other similar platform, technology, or mechanism required by any federal or state law or regulation; and

(5) enable the controller to accurately determine whether the consumer is a Minnesota resident and whether the consumer has made a legitimate request to opt out of any sale of the consumer's personal data or targeted advertising. For purposes of this paragraph, the use of an Internet protocol address to estimate the consumer's location is sufficient to determine the consumer's residence.

(b) If a consumer's opt-out request is exercised through the platform, technology, or mechanism required under paragraph (a), and the request conflicts with the consumer's existing controller-specific privacy setting or voluntary participation in a controller's bona fide loyalty, rewards, premium features, discounts, or club card program, the controller must comply with the consumer's opt-out preference signal but may also notify the consumer of the conflict and provide the consumer a choice to confirm the controller-specific privacy setting or participation in the controller's program.

(c) The platform, technology, or mechanism required under paragraph (a) is subject to the requirements of subdivision 4.

(d) A controller that recognizes opt-out preference signals that have been approved by other state laws or regulations is in compliance with this subdivision.

**Subd. 4. Controller response to consumer requests.** (a) Except as provided in this chapter, a controller must comply with a request to exercise the rights pursuant to subdivision 1.

(b) A controller must provide one or more secure and reliable means for consumers to submit a request to exercise the consumer's rights under this section. The means made available must take into account the ways in which consumers interact with the controller and the need for secure and reliable communication of the requests.

(c) A controller may not require a consumer to create a new account in order to exercise a right, but a controller may require a consumer to use an existing account to exercise the consumer's rights under this section.

(d) A controller must comply with a request to exercise the right in subdivision 1, paragraph (f), as soon as feasibly possible, but no later than 45 days of receipt of the request.

(e) A controller must inform a consumer of any action taken on a request under subdivision 1 without undue delay and in any event within 45 days of receipt of the request. That period may be extended once by 45 additional days where reasonably necessary, taking into account the complexity and number of the requests. The controller must inform the consumer of any extension within 45 days of receipt of the request, together with the reasons for the delay.

(f) If a controller does not take action on a consumer's request, the controller must inform the consumer without undue delay and at the latest within 45 days of receipt of the request of the reasons for not taking action and instructions for how to appeal the decision with the controller as described in subdivision 5.

(g) Information provided under this section must be provided by the controller free of charge up to twice annually to the consumer. Where requests from a consumer are manifestly unfounded or excessive, in particular because of the repetitive character of the requests, the controller may either charge a reasonable fee to cover the administrative costs of complying with the request, or refuse to act on the request. The controller bears the burden of demonstrating the manifestly unfounded or excessive character of the request.

(h) A controller is not required to comply with a request to exercise any of the rights under subdivision 1, paragraphs (b) to (h), if the controller is unable to authenticate the request using commercially reasonable efforts. In such cases, the controller may request the provision of additional information reasonably necessary to authenticate the request. A controller is not required to authenticate an opt-out request, but a controller may deny an opt-out request if the controller has a good faith, reasonable, and documented belief that the request is fraudulent. If a controller denies an opt-out request because the controller believes a request is fraudulent, the controller must notify the person who made the request that the request was denied due to the controller's belief that the request was fraudulent and state the controller's basis for that belief.

(i) In response to a consumer request under subdivision 1, a controller must not disclose the following information about a consumer, but must instead inform the consumer with sufficient particularity that the controller has collected that type of information:

(1) Social Security number;

(2) driver's license number or other government-issued identification number;

(3) financial account number;

(4) health insurance account number or medical identification number;

(5) account password, security questions, or answers; or

(6) biometric data.

(j) In response to a consumer request under subdivision 1, a controller is not required to reveal any trade secret.

(k) A controller that has obtained personal data about a consumer from a source other than the consumer may comply with a consumer's request to delete the consumer's personal data pursuant to subdivision 1, paragraph (d), by either:

(1) retaining a record of the deletion request, retaining the minimum data necessary for the purpose of ensuring the consumer's personal data remains deleted from the business's records, and not using the retained data for any other purpose pursuant to the provisions of this chapter; or

(2) opting the consumer out of the processing of personal data for any purpose except for the purposes exempted pursuant to the provisions of this chapter.

**Subd. 5. Appeal process required.** (a) A controller must establish an internal process whereby a consumer may appeal a refusal to take action on a request to exercise any of the rights under subdivision 1 within a reasonable period of time after the consumer's receipt of the notice sent by the controller under subdivision 4, paragraph (f).

(b) The appeal process must be conspicuously available. The process must include the ease of use provisions in subdivision 3 applicable to submitting requests.

(c) Within 45 days of receipt of an appeal, a controller must inform the consumer of any action taken or not taken in response to the appeal, along with a written explanation of the reasons in support thereof. That period may be extended by 60 additional days where reasonably necessary, taking into account the complexity and number of the requests serving as the basis for the appeal. The controller must inform the consumer of any extension within 45 days of receipt of the appeal, together with the reasons for the delay.

(d) When informing a consumer of any action taken or not taken in response to an appeal pursuant to paragraph (c), the controller must provide a written explanation of the reasons for the controller's decision and clearly and prominently provide the consumer with information about how to file a complaint with the Office of the Attorney General. The controller must maintain records of all appeals and the controller's responses for at least 24 months and shall, upon written request by the attorney general as part of an investigation, compile and provide a copy of the records to the attorney general.

Sec. 7. **[3250.06] PROCESSING DEIDENTIFIED DATA OR PSEUDONYMOUS DATA.**

(a) This chapter does not require a controller or processor to do any of the following solely for purposes of complying with this chapter:

(1) reidentify deidentified data;

(2) maintain data in identifiable form, or collect, obtain, retain, or access any data or technology, in order to be capable of associating an authenticated consumer request with personal data; or

(3) comply with an authenticated consumer request to access, correct, delete, or port personal data pursuant to section 3250.05, subdivision 1, if all of the following are true:

(i) the controller is not reasonably capable of associating the request with the personal data, or it would be unreasonably burdensome for the controller to associate the request with the personal data;

(ii) the controller does not use the personal data to recognize or respond to the specific consumer who is the subject of the personal data, or associate the personal data with other personal data about the same specific consumer; and

(iii) the controller does not sell the personal data to any third party or otherwise voluntarily disclose the personal data to any third party other than a processor, except as otherwise permitted in this section.

(b) The rights contained in section 3250.05, subdivision 1, paragraphs (b) to (h), do not apply to pseudonymous data in cases where the controller is able to demonstrate any information necessary to identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing the information.

(c) A controller that uses pseudonymous data or deidentified data must exercise reasonable oversight to monitor compliance with any contractual commitments to which the pseudonymous data or deidentified data are subject, and must take appropriate steps to address any breaches of contractual commitments.

(d) A processor or third party must not attempt to identify the subjects of deidentified or pseudonymous data without the express authority of the controller that caused the data to be deidentified or pseudonymized.

(e) A controller, processor, or third party must not attempt to identify the subjects of data that has been collected with only pseudonymous identifiers.

Sec. 8. **[3250.07] RESPONSIBILITIES OF CONTROLLERS.**

Subdivision 1. **Transparency obligations.** (a) Controllers must provide consumers with a reasonably accessible, clear, and meaningful privacy notice that includes:

(1) the categories of personal data processed by the controller;

(2) the purposes for which the categories of personal data are processed;

(3) an explanation of the rights contained in section 3250.05 and how and where consumers may exercise those rights, including how a consumer may appeal a controller's action with regard to the consumer's request;

(4) the categories of personal data that the controller sells to or shares with third parties, if any;

(5) the categories of third parties, if any, with whom the controller sells or shares personal data;

(6) the controller's contact information, including an active email address or other online mechanism that the consumer may use to contact the controller;

(7) a description of the controller's retention policies for personal data; and

(8) the date the privacy notice was last updated.

(b) If a controller sells personal data to third parties, processes personal data for targeted advertising, or engages in profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer, the controller must disclose the processing in the privacy notice and provide access to a clear and conspicuous method outside the privacy notice for a consumer to opt out of the sale, processing, or profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer. This method may include but is not limited to an Internet hyperlink clearly labeled "Your Opt-Out Rights" or "Your Privacy Rights" that directly effectuates the opt-out request or takes consumers to a web page where the consumer can make the opt-out request.

(c) The privacy notice must be made available to the public in each language in which the controller provides a product or service that is subject to the privacy notice or carries out activities related to the product or service.

(d) The controller must provide the privacy notice in a manner that is reasonably accessible to and usable by individuals with disabilities.

(e) Whenever a controller makes a material change to the controller's privacy notice or practices, the controller must notify consumers affected by the material change with respect to any prospectively collected personal data and provide a reasonable opportunity for consumers to withdraw consent to any further materially different collection, processing, or transfer of previously collected personal data under the changed policy. The controller shall take all reasonable electronic measures to provide notification regarding material changes to affected consumers, taking into account available technology and the nature of the relationship.

(f) A controller is not required to provide a separate Minnesota-specific privacy notice or section of a privacy notice if the controller's general privacy notice contains all the information required by this section.

(g) The privacy notice must be posted online through a conspicuous hyperlink using the word "privacy" on the controller's website home page or on a mobile application's app store page or download page. A controller that maintains an application on a mobile or other device shall also include a hyperlink to the privacy notice in the

application's settings menu or in a similarly conspicuous and accessible location. A controller that does not operate a website shall make the privacy notice conspicuously available to consumers through a medium regularly used by the controller to interact with consumers, including but not limited to mail.

Subd. 2. **Use of data.** (a) A controller must limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data are processed, which must be disclosed to the consumer.

(b) Except as provided in this chapter, a controller may not process personal data for purposes that are not reasonably necessary to, or compatible with, the purposes for which the personal data are processed, as disclosed to the consumer, unless the controller obtains the consumer's consent.

(c) A controller shall establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data, including the maintenance of an inventory of the data that must be managed to exercise these responsibilities. The data security practices shall be appropriate to the volume and nature of the personal data at issue.

(d) Except as otherwise provided in this act, a controller may not process sensitive data concerning a consumer without obtaining the consumer's consent, or, in the case of the processing of personal data concerning a known child, without obtaining consent from the child's parent or lawful guardian, in accordance with the requirement of the Children's Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and its implementing regulations, rules, and exemptions.

(e) A controller shall provide an effective mechanism for a consumer, or, in the case of the processing of personal data concerning a known child, the child's parent or lawful guardian, to revoke previously given consent under this subdivision. The mechanism provided shall be at least as easy as the mechanism by which the consent was previously given. Upon revocation of consent, a controller shall cease to process the applicable data as soon as practicable, but not later than 15 days after the receipt of such request.

(f) A controller may not process the personal data of a consumer for purposes of targeted advertising, or sell the consumer's personal data, without the consumer's consent, under circumstances where the controller knows that the consumer is between the ages of 13 and 16.

(g) A controller may not retain personal data that is no longer relevant and reasonably necessary in relation to the purposes for which the data were collected and processed, unless retention of the data is otherwise required by law or permitted under section 325O.09.

Subd. 3. **Nondiscrimination.** (a) A controller shall not process personal data on the basis of a consumer's or a class of consumers' actual or perceived race, color, ethnicity, religion, national origin, sex, gender, gender identity, sexual orientation, familial status, lawful source of income, or disability in a manner that unlawfully discriminates against the consumer or class of consumers with respect to the offering or provision of: housing, employment, credit, or education; or the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation.

(b) A controller may not discriminate against a consumer for exercising any of the rights contained in this chapter, including denying goods or services to the consumer, charging different prices or rates for goods or services, and providing a different level of quality of goods and services to the consumer. This subdivision does not: (1) require a controller to provide a good or service that requires the consumer's personal data that the controller does not collect or maintain; or (2) prohibit a controller from offering a different price, rate, level, quality, or selection of goods or services to a consumer, including offering goods or services for no fee, if the offering is in connection with a consumer's voluntary participation in a bona fide loyalty, rewards, premium features, discounts, or club card program.

(c) A controller may not sell personal data to a third-party controller as part of a bona fide loyalty, rewards, premium features, discounts, or club card program under paragraph (b) unless:

(1) the sale is reasonably necessary to enable the third party to provide a benefit to which the consumer is entitled;

(2) the sale of personal data to third parties is clearly disclosed in the terms of the program; and

(3) the third party uses the personal data only for purposes of facilitating a benefit to which the consumer is entitled and does not retain or otherwise use or disclose the personal data for any other purpose.

Subd. 4. **Waiver of rights unenforceable.** Any provision of a contract or agreement of any kind that purports to waive or limit in any way a consumer's rights under this chapter is contrary to public policy and is void and unenforceable.

Sec. 9. **[3250.075] REQUIREMENTS FOR SMALL BUSINESSES.**

(a) A small business, as defined by the United States Small Business Administration under Code of Federal Regulations, title 13, part 121, that conducts business in Minnesota or produces products or services that are targeted to residents of Minnesota, must not sell a consumer's sensitive data without the consumer's prior consent.

(b) Penalties and attorney general enforcement procedures under section 3250.10 apply to a small business that violates this section.

Sec. 10. **[3250.08] DATA PRIVACY POLICIES AND DATA PRIVACY AND PROTECTION ASSESSMENTS.**

(a) A controller must document and maintain a description of the policies and procedures the controller has adopted to comply with this chapter. The description must include, where applicable:

(1) the name and contact information for the controller's chief privacy officer or other individual with primary responsibility for directing the policies and procedures implemented to comply with the provisions of this chapter; and

(2) a description of the controller's data privacy policies and procedures which reflect the requirements in section 3250.07, and any policies and procedures designed to:

(i) reflect the requirements of this chapter in the design of the controller's systems;

(ii) identify and provide personal data to a consumer as required by this chapter;

(iii) establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data, including the maintenance of an inventory of the data that must be managed to exercise the responsibilities under this item;

(iv) limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data are processed;

(v) prevent the retention of personal data that is no longer relevant and reasonably necessary in relation to the purposes for which the data were collected and processed, unless retention of the data is otherwise required by law or permitted under section 3250.09; and

(vi) identify and remediate violations of this chapter.

(b) A controller must conduct and document a data privacy and protection assessment for each of the following processing activities involving personal data:

(1) the processing of personal data for purposes of targeted advertising;

(2) the sale of personal data;

(3) the processing of sensitive data;

(4) any processing activities involving personal data that present a heightened risk of harm to consumers; and

(5) the processing of personal data for purposes of profiling, where the profiling presents a reasonably foreseeable risk of:

(i) unfair or deceptive treatment of, or disparate impact on, consumers;

(ii) financial, physical, or reputational injury to consumers;

(iii) a physical or other intrusion upon the solitude or seclusion, or the private affairs or concerns, of consumers, where the intrusion would be offensive to a reasonable person; or

(iv) other substantial injury to consumers.

(c) A data privacy and protection assessment must take into account the type of personal data to be processed by the controller, including the extent to which the personal data are sensitive data, and the context in which the personal data are to be processed.

(d) A data privacy and protection assessment must identify and weigh the benefits that may flow directly and indirectly from the processing to the controller, consumer, other stakeholders, and the public against the potential risks to the rights of the consumer associated with the processing, as mitigated by safeguards that can be employed by the controller to reduce the potential risks. The use of deidentified data and the reasonable expectations of consumers, as well as the context of the processing and the relationship between the controller and the consumer whose personal data will be processed, must be factored into this assessment by the controller.

(e) A data privacy and protection assessment must include the description of policies and procedures required by paragraph (a).

(f) As part of a civil investigative demand, the attorney general may request, in writing, that a controller disclose any data privacy and protection assessment that is relevant to an investigation conducted by the attorney general. The controller must make a data privacy and protection assessment available to the attorney general upon a request made under this paragraph. The attorney general may evaluate the data privacy and protection assessments for compliance with this chapter. Data privacy and protection assessments are classified as nonpublic data, as defined by section 13.02, subdivision 9. The disclosure of a data privacy and protection assessment pursuant to a request from the attorney general under this paragraph does not constitute a waiver of the attorney-client privilege or work product protection with respect to the assessment and any information contained in the assessment.

(g) Data privacy and protection assessments or risk assessments conducted by a controller for the purpose of compliance with other laws or regulations may qualify under this section if the assessments have a similar scope and effect.

(h) A single data protection assessment may address multiple sets of comparable processing operations that include similar activities.

Sec. 11. **[3250.09] LIMITATIONS AND APPLICABILITY.**

(a) The obligations imposed on controllers or processors under this chapter do not restrict a controller's or a processor's ability to:

(1) comply with federal, state, or local laws, rules, or regulations, including but not limited to data retention requirements in state or federal law notwithstanding a consumer's request to delete personal data;

(2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, local, or other governmental authorities;

(3) cooperate with law enforcement agencies concerning conduct or activity that the controller or processor reasonably and in good faith believes may violate federal, state, or local laws, rules, or regulations;

(4) investigate, establish, exercise, prepare for, or defend legal claims;

(5) provide a product or service specifically requested by a consumer; perform a contract to which the consumer is a party, including fulfilling the terms of a written warranty; or take steps at the request of the consumer prior to entering into a contract;

(6) take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or of another natural person, and where the processing cannot be manifestly based on another legal basis;

(7) prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute those responsible for any such action;

(8) assist another controller, processor, or third party with any of the obligations under this paragraph;

(9) engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws and is approved, monitored, and governed by an institutional review board, human subjects research ethics review board, or a similar independent oversight entity that has determined:

(i) the research is likely to provide substantial benefits that do not exclusively accrue to the controller;

(ii) the expected benefits of the research outweigh the privacy risks; and

(iii) the controller has implemented reasonable safeguards to mitigate privacy risks associated with research, including any risks associated with reidentification; or

(10) process personal data for the benefit of the public in the areas of public health, community health, or population health, but only to the extent that the processing is:

(i) subject to suitable and specific measures to safeguard the rights of the consumer whose personal data is being processed; and

(ii) under the responsibility of a professional individual who is subject to confidentiality obligations under federal, state, or local law.

(b) The obligations imposed on controllers or processors under this chapter do not restrict a controller's or processor's ability to collect, use, or retain data to:

(1) effectuate a product recall or identify and repair technical errors that impair existing or intended functionality;

(2) perform internal operations that are reasonably aligned with the expectations of the consumer based on the consumer's existing relationship with the controller, or are otherwise compatible with processing in furtherance of the provision of a product or service specifically requested by a consumer or the performance of a contract to which the consumer is a party; or

(3) conduct internal research to develop, improve, or repair products, services, or technology.

(c) The obligations imposed on controllers or processors under this chapter do not apply where compliance by the controller or processor with this chapter would violate an evidentiary privilege under Minnesota law and do not prevent a controller or processor from providing personal data concerning a consumer to a person covered by an evidentiary privilege under Minnesota law as part of a privileged communication.

(d) A controller or processor that discloses personal data to a third-party controller or processor in compliance with the requirements of this chapter is not in violation of this chapter if the recipient processes the personal data in violation of this chapter, provided that at the time of disclosing the personal data, the disclosing controller or processor did not have actual knowledge that the recipient intended to commit a violation. A third-party controller or processor receiving personal data from a controller or processor in compliance with the requirements of this chapter is not in violation of this chapter for the obligations of the controller or processor from which the third-party controller or processor receives the personal data.

(e) Obligations imposed on controllers and processors under this chapter shall not:

(1) adversely affect the rights or freedoms of any persons, including exercising the right of free speech pursuant to the First Amendment of the United States Constitution; or

(2) apply to the processing of personal data by a natural person in the course of a purely personal or household activity.

(f) Personal data that are processed by a controller pursuant to this section may be processed solely to the extent that the processing is:

(1) necessary, reasonable, and proportionate to the purposes listed in this section;

(2) adequate, relevant, and limited to what is necessary in relation to the specific purpose or purposes listed in this section; and

(3) insofar as possible, taking into account the nature and purpose of processing the personal data, subjected to reasonable administrative, technical, and physical measures to protect the confidentiality, integrity, and accessibility of the personal data, and to reduce reasonably foreseeable risks of harm to consumers.

(g) If a controller processes personal data pursuant to an exemption in this section, the controller bears the burden of demonstrating that the processing qualifies for the exemption and complies with the requirements in paragraph (f).

(h) Processing personal data solely for the purposes expressly identified in paragraph (a), clauses (1) to (7), does not, by itself, make an entity a controller with respect to the processing.

**Sec. 12. [3250.10] ATTORNEY GENERAL ENFORCEMENT.**

(a) In the event that a controller or processor violates this chapter, the attorney general, prior to filing an enforcement action under paragraph (b), must provide the controller or processor with a warning letter identifying the specific provisions of this chapter the attorney general alleges have been or are being violated. If, after 30 days of issuance of the warning letter, the attorney general believes the controller or processor has failed to cure any alleged violation, the attorney general may bring an enforcement action under paragraph (b). This paragraph expires January 31, 2026.

(b) The attorney general may bring a civil action against a controller or processor to enforce a provision of this chapter in accordance with section 8.31. If the state prevails in an action to enforce this chapter, the state may, in addition to penalties provided by paragraph (c) or other remedies provided by law, be allowed an amount determined by the court to be the reasonable value of all or part of the state's litigation expenses incurred.

(c) Any controller or processor that violates this chapter is subject to an injunction and liable for a civil penalty of not more than \$7,500 for each violation.

(d) Nothing in this chapter establishes a private right of action, including under section 8.31, subdivision 3a, for a violation of this chapter or any other law.

**Sec. 13. [3250.11] PREEMPTION OF LOCAL LAW; SEVERABILITY.**

(a) This chapter supersedes and preempts laws, ordinances, regulations, or the equivalent adopted by any local government regarding the processing of personal data by controllers or processors.

(b) If any provision of this chapter or the chapter's application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

**Sec. 14. EFFECTIVE DATE.**

This article is effective July 31, 2025, except that postsecondary institutions regulated by the Office of Higher Education are not required to comply with this article until July 31, 2029.

**ARTICLE 5  
AGRICULTURE APPROPRIATIONS**

Section 1. Laws 2023, chapter 43, article 1, section 2, is amended to read:

**Sec. 2. DEPARTMENT OF AGRICULTURE**

Subdivision 1. <b>Total Appropriation</b>	<b>\$ 92,025,000</b>	<b>\$ 72,223,000</b>
	<b><u>88,025,000</u></b>	<b><u>80,518,000</u></b>

Appropriations by Fund

	2024	2025
General	91,626,000	71,824,000
	<u>87,626,000</u>	<u>80,119,000</u>
Remediation	399,000	399,000

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

Subd. 2. **Protection Services**

## Appropriations by Fund

	2024	2025
General	<del>32,034,000</del>	<del>18,743,000</del>
	<u>32,034,000</u>	<u>22,438,000</u>
Remediation	399,000	399,000

(a) \$399,000 the first year and \$399,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(b) \$625,000 the first year and ~~\$625,000~~ \$925,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than \$50,000 of the appropriation each year to a single recipient. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027. The base for this appropriation is \$639,000 in fiscal year 2026 and each year thereafter.

(c) \$800,000 the first year ~~is~~ and \$100,000 the second year are for transfer to the pollinator research account established under Minnesota Statutes, section 18B.051. The base for this transfer is \$100,000 in fiscal year 2026 and each year thereafter.

(d) \$150,000 the first year and \$150,000 the second year are for transfer to the noxious weed and invasive plant species assistance account established under Minnesota Statutes, section 18.89, to award grants under Minnesota Statutes, section 18.90, to counties, municipalities, and other weed management entities, including Minnesota Tribal governments as defined in Minnesota Statutes, section 10.65. This is a onetime appropriation.

(e) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2023. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(f) \$155,000 the first year and \$155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$40,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(g) \$825,000 the first year and \$825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(h) \$75,000 the first year and \$75,000 the second year are to support a meat processing liaison position to assist new or existing meat and poultry processing operations in getting started, expanding, growing, or transitioning into new business models.

(i) \$2,200,000 the first year and \$1,650,000 the second year are additional funding to maintain the current level of service delivery for programs under this subdivision. The base for this appropriation is \$1,925,000 for fiscal year 2026 and each year thereafter.

(j) \$250,000 the first year and \$250,000 the second year are for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous-living cover crops and cropping systems in the early stages of commercial development. For the purposes of this paragraph, "continuous-living cover crops and cropping systems" refers to agroforestry, perennial biomass, perennial forage, perennial grains, and winter-annual cereal grains and oilseeds that have market value as harvested or grazed commodities. By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to. The commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation.

(k) \$45,000 the first year and \$45,000 the second year are appropriated for wolf-livestock conflict-prevention grants. The commissioner may use some of this appropriation to support nonlethal prevention work performed by federal wildlife services. This is a onetime appropriation.

(l) \$10,000,000 the first year is for transfer to the grain indemnity account established in Minnesota Statutes, section 223.24. This is a onetime transfer.

(m) \$125,000 the first year and \$125,000 the second year are for the PFAS in pesticides review. This is a onetime appropriation.

(n) \$1,941,000 the first year is for transfer to the food handler license account. This is a onetime transfer.

(o) \$3,072,000 the second year is for nitrate home water treatment, including reverse osmosis, for private drinking-water wells with nitrate in excess of the maximum contaminant level of ten milligrams per liter and located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, or Winona County. The commissioner must prioritize households at or below 300 percent of the federal poverty guideline and households with infants or pregnant individuals. The commissioner may also use this appropriation for education, outreach, and technical assistance to homeowners. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2027.

(p) \$223,000 the second year is for transfer to the commissioner of health for the private well drinking-water assistance program. This is a onetime transfer and is available until June 30, 2027.

**Subd. 3. Agricultural Marketing and Development**

5,165,000

4,985,000

(a) \$150,000 the first year and \$150,000 the second year are to expand international trade opportunities and markets for Minnesota agricultural products.

(b) \$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2025, for Minnesota grown grants in this paragraph are available until June 30, 2027.

(c) \$634,000 the first year and \$634,000 the second year are for the continuation of the dairy development and profitability enhancement programs, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(d) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this

state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(e) \$600,000 the first year and \$420,000 the second year are to maintain the current level of service delivery. The base for this appropriation is ~~\$490,000~~ \$510,000 for fiscal year 2026 and each year thereafter.

(f) \$100,000 the first year and \$100,000 the second year are for mental health outreach and support to farmers, ranchers, and others in the agricultural community and for farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(g) \$100,000 the first year and \$100,000 the second year are to award and administer grants ~~for infrastructure and other forms of financial assistance~~ to support EBT, SNAP, SFMNP, and related programs at farmers markets. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(h) \$200,000 the first year and \$200,000 the second year are to award cooperative grants under Minnesota Statutes, section 17.1016. The commissioner may use up to 6.5 percent of the appropriation each year to administer the grant program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

**Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement**

~~37,809,000~~  
33,809,000

~~33,809,000~~  
38,109,000

(a) \$10,702,000 the first year and \$10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 the first year and up to \$1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) \$2,250,000 the first year and \$2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) \$450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) \$350,000 the first year and \$350,000 the second year are for potato breeding;

(6) \$802,000 the first year and \$802,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is \$802,000 in fiscal year 2026 and each year thereafter. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to; and

(7) \$350,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime.

(b) The base for the agriculture research, education, extension, and technology transfer program is \$10,352,000 in fiscal year 2026 and \$10,352,000 in fiscal year 2027.

(c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and \$23,107,000 the second year are~~ is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12.

Except as provided below, the commissioner may allocate this appropriation ~~each year~~ among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year ~~and \$1,000,000 the second year are~~ is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the first year ~~and \$5,750,000 the second year are~~ is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025, ~~and the second year appropriation is available until June 30, 2026.~~ If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. ~~The base under this clause is \$3,000,000 in fiscal year 2026 and each year thereafter;~~

(3) \$3,375,000 the first year ~~and \$3,375,000 the second year are~~ is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the

appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. ~~The base under this clause is \$3,000,000 for fiscal year 2026 and each year thereafter;~~

(4) ~~\$1,250,000 the first year and \$1,250,000 the second year are is~~ for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. ~~The base under this clause is \$250,000 in fiscal year 2026 and each year thereafter;~~

(5) ~~\$1,150,000 the first year and \$1,150,000 the second year are is~~ for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education ~~centers~~ settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education ~~centers~~ and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 ~~each year~~ is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. ~~The base under this clause is \$1,294,000 in fiscal year 2026 and each year thereafter;~~

(6) ~~\$4,000,000 the first year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined~~

~~by the commissioner within the limits of available funding. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. The allocation in this clause is onetime;~~

~~(7) (6) \$2,000,000 the first year and \$2,000,000 the second year~~ are is for urban youth agricultural education or urban agriculture community development; and

~~(8) (7) \$1,000,000 the first year and \$1,000,000 the second year~~ are is for the good food access program under Minnesota Statutes, section 17.1017.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) \$27,407,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the second year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the second year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is \$3,000,000 in fiscal year 2026 and each year thereafter;

(3) \$3,475,000 the second year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than ten retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of money leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. The base under this clause is \$3,000,000 for fiscal year 2026 and each year thereafter;

(4) \$1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be used for other purposes under this paragraph. The base under this clause is \$250,000 in fiscal year 2026 and each year thereafter;

(5) \$1,350,000 the second year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools

and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is \$1,294,000 in fiscal year 2026 and each year thereafter;

(6) \$4,000,000 the second year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance on June 30, 2026, may be used for other purposes under this paragraph. The allocation in this clause is onetime;

(7) \$2,000,000 the second year is for urban youth agricultural education or urban agriculture community development; and

(8) \$1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.

~~(d)~~ (e) The base for the agricultural growth, research, and innovation program is ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026 and each year thereafter and includes \$200,000 each year for cooperative development grants.

Subd. 5. **Administration and Financial Assistance**

16,618,000

~~14,287,000~~  
14,587,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$350,000 the first year and \$350,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is \$250,000 in fiscal year 2026 and each year thereafter.

(c) \$2,000 the first year is for a grant to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. This is a onetime appropriation.

(e) \$60,000 the first year and \$60,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. This is a onetime appropriation.

(f) \$34,000 the first year and \$34,000 the second year are for grants to the Minnesota State Horticultural Society. This is a onetime appropriation.

(g) \$25,000 the first year and \$25,000 the second year are for grants to the Center for Rural Policy and Development. This is a onetime appropriation.

(h) \$75,000 the first year and \$75,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2025, the council must submit the report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance and policy. This is a onetime appropriation.

(i) \$100,000 the first year and \$100,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime

appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

(j) \$1,950,000 the first year and \$1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following purposes:

(1) at least \$850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed. The base for this appropriation is \$1,700,000 for fiscal year 2026 and each year thereafter.

(k) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(l) \$300,000 the first year and \$300,000 the second year are for grants to The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate ~~emerging~~ emerging farmers experiencing limited land access or limited market access for crops donated to hunger relief organizations in Minnesota. For purposes of this paragraph, "limited land access" and "limited market access" have the meanings given in Minnesota Statutes, section 17.133, subdivision 1. This is a onetime appropriation.

(m) \$750,000 the first year and \$750,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the Emerging Farmer Working Group established under Minnesota Statutes, section 17.055, subdivision 1. The base for this appropriation is \$1,000,000 in fiscal year 2026 and each year thereafter.

(n) \$50,000 the first year is to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.

(o) \$337,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$50,000 the first year and \$50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but

are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(p) \$260,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(q) \$1,000,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(r) \$1,084,000 the first year and \$500,000 the second year are to support IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation.

(s) \$275,000 the first year is for technical assistance grants to certified community development financial institutions that participate in United States Department of Agriculture loan or grant programs for small farmers or ~~emerging~~ farmers experiencing limited land access or limited market access, including but not limited to the Increasing Land, Capital, and Market Access Program. For purposes of this paragraph, "emerging farmer" has "limited land access" and "limited market access" have the meaning meanings given in Minnesota Statutes, section 17.055, subdivision 1 section 17.133, subdivision 1. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(t) \$1,425,000 the first year and \$1,425,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117.

(u) \$150,000 the first year and \$150,000 the second year are for administrative support for the Rural Finance Authority.

(v) The base in fiscal years 2026 and 2027 is \$150,000 each year to coordinate climate-related activities and services within the Department of Agriculture and counterparts in local, state, and

federal agencies and to hire a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(w) \$1,200,000 the first year and \$930,000 the second year are to maintain the current level of service delivery. The base for this appropriation is ~~\$1,085,000~~ \$1,065,000 in fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000 in fiscal year 2027 and each year thereafter.

(x) \$250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with a report submitted by January 3, 2024, and a final report submitted by December 31, 2024. The reports must include a list of equipment purchased, including the cost of each item.

(y) \$1,000,000 the first year and \$1,000,000 the second year are to award and administer down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to ~~emerging farmers as defined in Minnesota Statutes, section 17.055, subdivision 1~~ eligible applicants with no more than \$100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2025, are available until June 30, 2027.

(z) \$222,000 the first year and \$322,000 the second year are for meat processing training and retention incentive grants under section 5. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(aa) \$300,000 the first year and \$300,000 the second year are for transfer to the Board of Regents of the University of Minnesota to evaluate, propagate, and maintain the genetic diversity of oilseeds, grains, grasses, legumes, and other plants including flax, timothy, barley, rye, triticale, alfalfa, orchard grass, clover, and other species and varieties that were in commercial distribution and use in Minnesota before 1970, excluding wild rice. This effort must also protect traditional seeds brought to Minnesota by immigrant communities. This appropriation includes funding for associated extension and outreach to small and Black, Indigenous, and People of Color (BIPOC) farmers. This is a onetime appropriation.

(bb) \$300,000 the second year is to award and administer beginning farmer equipment and infrastructure grants under Minnesota Statutes, section 17.055. This is a onetime appropriation.

~~(bb)~~ (cc) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

Sec. 2. Laws 2023, chapter 43, article 1, section 4, is amended to read:

Sec. 4. <b>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</b>	<b>\$ 6,143,000</b>	<b>\$4,343,000</b>
	<b><u>6,393,000</u></b>	

(a) \$300,000 the first year is for equipment upgrades, equipment replacement, installation expenses, and laboratory infrastructure at the Agricultural Utilization Research Institute's laboratories in the cities of Crookston, Marshall, and Waseca.

(b) \$1,500,000 the first year is to replace analytical and processing equipment and make corresponding facility upgrades at Agricultural Utilization Research Institute facilities in the cities of Marshall, Crookston, and Waseca. Of this amount, up to \$500,000 may be used for renewable natural gas and anaerobic digestion projects. This is a onetime appropriation and is available until June 30, 2026.

(c) \$300,000 the first year and \$300,000 the second year are to maintain the current level of service delivery.

(d) \$250,000 the first year is to support food businesses. This is a onetime appropriation and is available until June 30, 2026.

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

ARTICLE 6  
PESTICIDE CONTROL

Section 1. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to read:

**Subd. 1d. Application or use of a pesticide.** "Application or use of a pesticide" includes:

(1) the dispersal of a pesticide on, in, at, or directed toward a target site;

(2) preapplication activities that involve the mixing and loading of a restricted use pesticide; and

(3) other restricted use pesticide-related activities, including but not limited to transporting or storing pesticide containers that have been opened; cleaning equipment; and disposing of excess pesticides, spray mix, equipment wash waters, pesticide containers, and other materials that contain pesticide.

Sec. 2. Minnesota Statutes 2022, section 18B.26, subdivision 6, is amended to read:

**Subd. 6. Discontinuance or cancellation of registration.** (a) To ensure the complete withdrawal from distribution or further use of a pesticide, a person who intends to discontinue a pesticide registration must:

(1) terminate a further distribution within the state and continue to register the pesticide annually for two successive years; and

(2) initiate and complete a total recall of the pesticide from all distribution in the state within 60 days from the date of notification to the commissioner of intent to discontinue registration; ~~or~~

~~(3) submit to the commissioner evidence adequate to document that no distribution of the registered pesticide has occurred in the state.~~

(b) Upon the request of a registrant, the commissioner may immediately cancel registration of a pesticide product. The commissioner may immediately cancel registration of a pesticide product at the commissioner's discretion. When requesting that the commissioner immediately cancel registration of a pesticide product, a registrant must provide the commissioner with:

(1) a statement that the pesticide product is no longer in distribution; and

(2) documentation of pesticide gross sales from the previous year supporting the statement under clause (1).

Sec. 3. Minnesota Statutes 2022, section 18B.28, is amended by adding a subdivision to read:

**Subd. 5. Advisory panel.** Before approving the issuance of an experimental use pesticide product registration under this section, the commissioner must convene and consider the advice of a panel of outside scientific and health experts. The panel must include but is not limited to representatives of the Department of Health, the Department of Natural Resources, the Pollution Control Agency, and the University of Minnesota.

Sec. 4. **[18B.283] EXPERT ADVICE REQUIRED FOR EMERGENCY EXEMPTIONS.**

Within 30 days of submitting an emergency registration exemption application under section 18 of FIFRA, the commissioner must convene and consider the advice of a panel of outside scientific and health experts. The panel must include but is not limited to representatives of the Department of Health, the Department of Natural Resources, the Pollution Control Agency, and the University of Minnesota.

Sec. 5. Minnesota Statutes 2022, section 18B.305, subdivision 2, is amended to read:

Subd. 2. **Training manual and examination development.** The commissioner, in consultation with University of Minnesota Extension and other higher education institutions, shall continually revise and update pesticide applicator training manuals and examinations. The manuals and examinations must be written to meet or exceed the minimum competency standards required by the United States Environmental Protection Agency and pertinent state specific information. Pesticide applicator training manuals and examinations must meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171. Competency standards for training manuals and examinations must be published on the Department of Agriculture website. Questions in the examinations must be determined by the commissioner in consultation with other responsible agencies. Manuals and examinations must include pesticide management practices that discuss prevention of pesticide occurrence in groundwater and surface water of the state, and economic thresholds and guidance for insecticide use.

Sec. 6. Minnesota Statutes 2022, section 18B.32, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) A person may not engage in structural pest control applications:

(1) for hire without a structural pest control license; ~~and~~

(2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations; ~~and~~

(3) unless the person is 18 years of age or older.

(b) A structural pest control licensee must have a valid license identification card to purchase a restricted use pesticide or apply pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 7. Minnesota Statutes 2022, section 18B.32, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) A person must apply to the commissioner for a structural pest control license on forms and in the manner required by the commissioner. The commissioner shall require the applicant to pass a written, closed-book, monitored examination or oral examination, or both, ~~and may also require a practical demonstration regarding structural pest control.~~ The commissioner shall establish the examination procedure, including the phases and contents of the examination.

(b) The commissioner may license a person as a master under a structural pest control license if the person has the necessary qualifications through knowledge and experience to properly plan, determine, and supervise the selection and application of pesticides in structural pest control. To demonstrate the qualifications and become licensed as a master under a structural pest control license, a person must:

(1) pass a closed-book test administered by the commissioner;

(2) have direct experience as a licensed journeyman under a structural pest control license for at least two years by this state or a state with equivalent certification requirements or as a full-time licensed master in another state with equivalent certification requirements; and

(3) show practical knowledge and field experience under clause (2) in the actual selection and application of pesticides under varying conditions.

(c) The commissioner may license a person as a journeyman under a structural pest control license if the person:

(1) has the necessary qualifications in the practical selection and application of pesticides;

(2) has passed a closed-book examination given by the commissioner; and

(3) is engaged as an employee of or is working under the direction of a person licensed as a master under a structural pest control license.

(d) The commissioner may license a person as a fumigator under a structural pest control license if the person:

(1) has knowledge of the practical selection and application of fumigants;

(2) has passed a closed-book examination given by the commissioner; and

(3) is licensed by the commissioner as a master or journeyman under a structural pest control license.

Sec. 8. Minnesota Statutes 2022, section 18B.32, subdivision 4, is amended to read:

Subd. 4. **Renewal.** (a) An applicator may apply to renew a structural pest control applicator license ~~may be renewed~~ on or before the expiration of an existing license subject to reexamination, attendance at ~~workshops~~ a recertification workshop approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competency and ability to use pesticides safely and properly. A recertification workshop must meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171. Competency standards for a recertification workshop must be published on the Department of Agriculture website. If the commissioner requires an applicator to attend a recertification workshop and the applicator fails to attend the workshop, the commissioner may require the applicator to pass a reexamination. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) ~~If a person~~ an applicator fails to renew a structural pest control license within three months of its expiration, the ~~person~~ applicator must obtain a structural pest control license subject to the requirements, procedures, and fees required for an initial license.

Sec. 9. Minnesota Statutes 2022, section 18B.32, subdivision 5, is amended to read:

Subd. 5. **Financial responsibility.** (a) ~~A structural pest control license may not be issued unless the applicant furnishes proof of financial responsibility.~~ The commissioner may suspend or revoke a structural pest control license if an applicator fails to provide proof of financial responsibility upon the commissioner's request. Financial responsibility may be demonstrated by:

(1) proof of net assets equal to or greater than \$50,000; or

(2) a performance bond or insurance of a kind and in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license of ~~a person~~ an applicator who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured by the applicator to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Sec. 10. Minnesota Statutes 2022, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories or a structural pest control license.

(b) A commercial applicator licensee must have a valid license identification card to purchase a restricted use pesticide or apply pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

(c) A person licensed under this section is considered qualified and is not required to verify, document, or otherwise prove a particular need prior to use, except as required by the federal label.

(d) A person who uses a general-use sanitizer or disinfectant for hire in response to COVID-19 is exempt from the commercial applicator license requirements under this section.

(e) A person licensed under this section must be 18 years of age or older.

Sec. 11. Minnesota Statutes 2022, section 18B.33, subdivision 5, is amended to read:

Subd. 5. **Renewal application.** (a) ~~A person~~ An applicator must apply to the commissioner to renew a commercial applicator license. The commissioner may renew a commercial applicator license accompanied by the application fee, subject to reexamination, attendance at ~~workshops~~ a recertification workshop approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. ~~The applicant~~ Upon the receipt of an applicator's renewal application, the commissioner may require the applicator to attend a recertification workshop. Depending on the application category, the commissioner may require an applicator to complete a recertification workshop once per year, once every two years, or once every three years. If the commissioner requires an applicator to attend a recertification workshop and the applicator fails to attend the workshop, the commissioner may require the applicator to pass a reexamination. A recertification workshop must meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171. Competency standards for a recertification workshop must be published on the Department of Agriculture website. An applicator may renew a commercial applicator license within 12 months after expiration of the license without having to meet initial testing requirements. The commissioner may require an additional demonstration of applicator qualification if ~~a person~~ the applicator has had a license suspended or revoked or has had a history of violations of this chapter.

(b) An ~~applicant~~ applicator that meets renewal requirements by reexamination instead of attending ~~workshops~~ a recertification workshop must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

Sec. 12. Minnesota Statutes 2022, section 18B.33, subdivision 6, is amended to read:

Subd. 6. **Financial responsibility.** (a) ~~A commercial applicator license may not be issued unless the applicant furnishes proof of financial responsibility.~~ The commissioner may suspend or revoke an applicator's commercial applicator license if the applicator fails to provide proof of financial responsibility upon the commissioner's request. Financial responsibility may be demonstrated by: (1) proof of net assets equal to or greater than \$50,000; or (2) by a performance bond or insurance of the kind and in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license of ~~a person~~ an applicator who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured by the applicator to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed ~~person~~ applicator is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Sec. 13. Minnesota Statutes 2022, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator, certified private applicator, or licensed structural pest control applicator, a person, including a government employee, may not purchase or use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

(c) A person licensed under this section is considered qualified and is not required to verify, document, or otherwise prove a particular need prior to use, except as required by the federal label.

(d) A person licensed under this section must be 18 years of age or older.

Sec. 14. Minnesota Statutes 2022, section 18B.34, subdivision 4, is amended to read:

Subd. 4. **Renewal.** (a) ~~A person~~ An applicator must apply to the commissioner to renew a noncommercial applicator license. The commissioner may renew a license subject to reexamination, attendance at ~~workshops~~ a recertification workshop approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. Upon the receipt of an applicator's renewal application, the commissioner may require the applicator to attend a recertification workshop. Depending on the application category, the commissioner may require an applicator to complete a recertification workshop once per year, once every two years, or once every three years. If the commissioner requires an applicator to attend a recertification workshop and the applicator fails to attend the workshop, the commissioner may require the applicator to pass a reexamination. A recertification workshop must meet or exceed the competency standards in

Code of Federal Regulations, title 40, part 171. Competency standards for a recertification workshop must be published on the Department of Agriculture website. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) An ~~applicant~~ applicator that meets renewal requirements by reexamination instead of attending ~~workshops a recertification workshop~~ must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

(c) An ~~applicant~~ applicator has 12 months to renew the license after expiration without having to meet initial testing requirements.

Sec. 15. Minnesota Statutes 2022, section 18B.35, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) The commissioner may establish categories of structural pest control, commercial applicator, and noncommercial applicator licenses ~~for administering and enforcing this chapter, and private applicator certification consistent with federal requirements in Code of Federal Regulations, title 40, parts 171.101 and 171.105, including but not limited to the federal categories that are applicable to Minnesota.~~ Application categories must meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171. Competency standards for application categories must be published on the Department of Agriculture website. The categories may include pest control operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators. Separate subclassifications of categories may be specified as to ground, aerial, or manual methods to apply pesticides or to the use of pesticides to control insects, plant diseases, rodents, or weeds.

(b) Each category is subject to separate testing procedures and requirements.

Sec. 16. Minnesota Statutes 2022, section 18B.36, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except for a licensed commercial or noncommercial applicator, only a certified private applicator may use a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation;

(2) on a site owned, rented, or managed by the person or the person's employees; or

(3) when the private applicator is one of two or fewer employees and the owner or operator is a certified private applicator or is licensed as a noncommercial applicator.

(b) A person may not purchase a restricted use pesticide without presenting a license card, certified private applicator card, or the card number.

(c) A person certified under this section is considered qualified and is not required to verify, document, or otherwise prove a particular need prior to use, except as required by the federal label.

(d) A person certified under this section must be 18 years of age or older.

Sec. 17. Minnesota Statutes 2022, section 18B.36, subdivision 2, is amended to read:

Subd. 2. **Certification.** (a) The commissioner shall prescribe certification requirements and provide training that meets or exceeds United States Environmental Protection Agency standards to certify private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to

use pesticides properly and safely. Private applicator certification requirements and training must meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171. Competency standards for private applicator certification and training must be published on the Department of Agriculture website. The training may be done through cooperation with other government agencies and must be a minimum of three hours in duration.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, which must include ~~an~~ a proctored examination as determined by the commissioner, an applicant must be certified as a private applicator to use restricted use pesticides. The certification shall expire March 1 of the third calendar year after the initial year of certification.

(c) The commissioner shall issue a private applicator card to a private applicator.

Sec. 18. Minnesota Statutes 2022, section 18B.37, subdivision 2, is amended to read:

Subd. 2. **Commercial and noncommercial applicators.** (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. Noncommercial applicators must keep records of restricted use pesticides. The record must include the:

- (1) date of the pesticide use;
- (2) time the pesticide application was completed;
- (3) brand name of the pesticide, the United States Environmental Protection Agency registration number, and rate used;
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) name of applicator, name of company, license number of applicator, and address of applicator company; and
- (9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a document for each pesticide application, except a map may be attached to identify treated areas. An invoice containing the required information may constitute the required record. The commissioner shall make sample forms available to meet the requirements of this paragraph.

(d) The record must be completed no later than five days after the application of the pesticide.

(e) A commercial applicator must give a copy of the record to the customer.

(f) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

(g) A record of a commercial or noncommercial applicator must meet or exceed the requirements in Code of Federal Regulations, title 40, part 171.

Sec. 19. Minnesota Statutes 2022, section 18B.37, subdivision 3, is amended to read:

Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

- (1) date of structural pest control application;
- (2) target pest;
- (3) brand name of the pesticide, United States Environmental Protection Agency registration number, and amount used;
- (4) for fumigation, the temperature and exposure time;
- (5) time the pesticide application was completed;
- (6) name and address of the customer;
- (7) name of structural pest control applicator, name of company and address of applicator or company, and license number of applicator; and
- (8) any other information required by the commissioner.

(b) All information for this record requirement must be contained in a document for each pesticide application. An invoice containing the required information may constitute the record.

(c) The record must be completed no later than five days after the application of the pesticide.

(d) Records must be retained for five years after the date of treatment.

(e) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site. The commissioner must make sample forms available that meet the requirements of this subdivision.

(f) A structural applicator must post in a conspicuous place inside a renter's apartment where a pesticide application has occurred a list of postapplication precautions contained on the label of the pesticide that was applied in the apartment and any other information required by the commissioner.

(g) A record of a structural applicator must meet or exceed the requirements in Code of Federal Regulations, title 40, part 171.

Sec. 20. **COMMERCIAL APPLICATOR LICENSE EXAMINATION LANGUAGE REQUIREMENTS.**

By January 1, 2025, the commissioner of agriculture must ensure that examinations for a commercial applicator license under Minnesota Statutes, section 18B.33, are available in Spanish and that applicants are informed that the examinations can be taken in Spanish. The commissioner must use money appropriated from the pesticide regulatory account under Minnesota Statutes, section 18B.05, for this purpose.

ARTICLE 7  
OTHER AGRICULTURE STATUTORY CHANGES

Section 1. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to read:

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

(b) "Approved agent" means a person authorized by the Department of Agriculture to determine if crop or fence damage was caused by elk and to assign a monetary value to the crop or fence damage.

(c) "Commissioner" means the commissioner of agriculture or the commissioner's authorized representative.

(d) "Estimated value" means the current value of crops or fencing as determined by an approved agent.

(e) "Owner" means an individual, firm, corporation, copartnership, or association with an interest in crops or fencing damaged by elk.

Sec. 2. Minnesota Statutes 2022, section 3.7371, subdivision 2, is amended to read:

Subd. 2. **Claim form and reporting.** (a) The owner must prepare a claim on forms provided by the commissioner and available on the Department of Agriculture's Agriculture website or by request from the commissioner. ~~The claim form must be filed with the commissioner.~~

(b) After discovering crop or fence damage suspected to be caused by elk, an owner must promptly notify an approved agent of the damage. To submit a claim for crop or fence damage caused by elk, an owner must complete the required portions of the claim form provided by the commissioner. An owner who has submitted a claim must provide an approved agent with all information required to investigate the crop or fence damage.

Sec. 3. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to read:

Subd. 2a. **Investigation and crop valuation.** (a) Upon receiving notification of crop or fence damage suspected to be caused by elk, an approved agent must promptly investigate the damage in a timely manner. An approved agent must make written findings on the claim form regarding whether the crop or fence was destroyed or damaged by elk. The approved agent's findings must be based on physical and circumstantial evidence, including:

(1) the condition of the crop or fence;

(2) the presence of elk tracks;

(3) the geographic area of the state where the crop or fence damage occurred;

(4) any sightings of elk in the area; and

(5) any other circumstances that the approved agent considers to be relevant.

(b) The absence of affirmative evidence may be grounds for denial of a claim.

(c) On a claim form, an approved agent must make written findings of the extent of crop or fence damage and, if applicable, the amount of crop destroyed.

(d) For damage to standing crops, an owner may choose to have the approved agent use the method in clause (1) or (2) to complete the claim form and determine the amount of crop loss:

(1) to submit a claim form to the commissioner at the time that the suspected elk damage is discovered, the approved agent must record on the claim form: (i) the field's potential yield per acre; (ii) the field's average yield per acre that is expected on the damaged acres; (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon completing the claim form, the approved agent must submit the form to the commissioner; or

(2) to submit a claim form to the commissioner at the time that the crop is harvested, the approved agent must record on the claim form at the time of the investigation: (i) the percent of crop loss from damage; (ii) the actual yield of the damaged field when the crop is harvested; (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon completing the claim form, the approved agent must submit the form to the commissioner.

(e) For damage to stored crops, an approved agent must record on the claim form: (1) the type and volume of destroyed stored crops; (2) the estimated value of the crop; and (3) the total amount of loss.

(f) For damage to fencing, an approved agent must record on the claim form: (1) the type of materials damaged; (2) the linear feet of the damage; (3) the value of the materials per unit according to National Resource Conservation Service specifications; and (4) the calculated total damage to the fence.

Sec. 4. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to read:

Subd. 2b. **Claim form.** A completed claim form must be signed by the owner and an approved agent. An approved agent must submit the claim form to the commissioner for the commissioner's review and payment. The commissioner must return an incomplete claim form to the approved agent. When returning an incomplete claim form to an approved agent, the commissioner must indicate which information is missing from the claim form.

Sec. 5. Minnesota Statutes 2022, section 3.7371, subdivision 3, is amended to read:

Subd. 3. **Compensation.** (a) ~~The crop~~ An owner is entitled to the ~~target price or the market price, whichever is greater, estimated value~~ of the damaged or destroyed crop ~~plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner, upon recommendation of the commissioner's approved agent for the owner's county or fence.~~ Verification of ~~crop or fence damage or destruction~~ by elk may be provided by submitting photographs or other evidence and documentation ~~together with a statement from an independent witness~~ using forms prescribed by the commissioner. The commissioner, upon recommendation of the commissioner's approved agent, shall determine whether the crop damage or destruction or damage to or destruction of a fence surrounding a crop or pasture is caused by elk and, if so, the amount of the crop or fence that is damaged or destroyed. In any fiscal year, an owner may not be compensated for a damaged or destroyed crop or fence surrounding a crop or pasture that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section, ~~if normal harvest procedures for the area are followed.~~ An owner may not be compensated more than \$1,800 per fiscal year for damage to fencing surrounding a crop or pasture.

(b) In any fiscal year, the commissioner may provide compensation for claims filed under this section up to the amount expressly appropriated for this purpose.

Sec. 6. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended to read:

Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner may award and administer equipment and infrastructure grants to beginning farmers. The commissioner shall give preference to applicants who are ~~emerging farmers~~ experiencing limited land access or limited market access as those terms are defined in section 17.133, subdivision 1. Grant money may be used for equipment and infrastructure development.

(b) The commissioner shall develop competitive eligibility criteria and may allocate grants on a needs basis.

(c) Grant projects may continue for up to two years.

Sec. 7. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) grosses no more than \$250,000 per year from the sale of farm products; ~~and~~

(3) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

(4) is not, and whose spouse is not, related by blood or marriage to an owner of the farmland that the individual intends to acquire.

(c) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(d) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

(e) "Limited land access" means farming land that the individual does not own when:

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

(f) "Limited market access" means the majority of the individual's annual farm product sales are direct sales to the consumer.

Sec. 8. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended to read:

Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture and rural development, in compliance with sections 3.195 and 3.197, on the farm down payment assistance grants under this section. The report must include:

(1) background information on beginning farmers in Minnesota and any other information that the commissioner and authority find relevant to evaluating the effect of the grants on increasing opportunities for and the number of beginning farmers;

(2) the number and amount of grants;

(3) the geographic distribution of grants by county;

(4) the number of grant recipients who are emerging farmers;

(5) the number of grant recipients who were experiencing limited land access or limited market access when the grant was awarded;

~~(5)~~ (6) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

~~(6)~~ (7) the number of farmers who cease to own land and are subject to payment of a penalty, along with the reasons for the land ownership cessation; and

~~(7)~~ (8) the number and amount of grant applications that exceeded the allocation available in each year.

Sec. 9. Minnesota Statutes 2023 Supplement, section 17.134, is amended by adding a subdivision to read:

Subd. 3a. **Grant requirements.** In addition to the applicable grants management requirements under sections 16B.97 to 16B.991, as a condition of receiving a soil health financial assistance grant under this section, an owner or lessee of farmland must commit to:

(1) if not certified under sections 17.9891 to 17.993, achieve certification no later than 24 months after the grant agreement is fully executed;

(2) not lease or rent the equipment to another for economic gain; and

(3) if selling the equipment, sell the equipment for no more than the owner's or lessee's documented share of the total purchase price.

Sec. 10. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 1c. **Beneficial substance.** "Beneficial substance" means any substance or compound other than a primary, secondary, and micro plant nutrient that can be demonstrated by scientific research to be beneficial to one or more species of plants, soil, or media.

Sec. 11. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 7b. **Diammonium phosphate.** "Diammonium phosphate" or "DAP" means a fertilizer containing 18 percent total nitrogen and 46 percent available phosphate.

Sec. 12. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 11a. **Finished sewage sludge product.** "Finished sewage sludge product" means a fertilizer product consisting in whole or in part of sewage sludge that is disinfected by means of composting, pasteurization, wet air oxidation, heat treatment, or other means and sold to the public.

Sec. 13. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 18b. **Liquid 28.** "Liquid 28" means a liquid nitrogen solution containing 28 percent total nitrogen.

Sec. 14. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 18c. **Liquid 32.** "Liquid 32" means a liquid nitrogen solution containing 32 percent total nitrogen.

Sec. 15. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 19b. **Monoammonium phosphate.** "Monoammonium phosphate" or "MAP" means a fertilizer containing ten to 11 percent total nitrogen and 48 to 55 percent available phosphate.

Sec. 16. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 20a. **Nitrogen fertilizer.** "Nitrogen fertilizer" means any fertilizer, soil amendment, or plant amendment totally or partially comprised of nitrogen, including but not limited to anhydrous ammonia, urea, liquid 28, liquid 32, DAP, and MAP.

Sec. 17. Minnesota Statutes 2022, section 18C.005, subdivision 33, is amended to read:

Subd. 33. **Soil amendment.** "Soil amendment" means a substance intended to improve the structural, physical, chemical, biochemical, or biological characteristics of the soil or modify organic matter at or near the soil surface, except fertilizers, agricultural liming materials, pesticides, and other materials exempted by the commissioner's rules.

Sec. 18. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision to read:

Subd. 37a. **Urea.** "Urea" means a white crystalline solid containing 46 percent nitrogen.

Sec. 19. Minnesota Statutes 2022, section 18C.115, subdivision 2, is amended to read:

Subd. 2. **Adoption of national standards.** Applicable national standards contained in the ~~1996 official publication, number 49,~~ most recently published version of the official publication of the Association of American Plant Food Control Officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.

Sec. 20. Minnesota Statutes 2022, section 18C.215, subdivision 1, is amended to read:

Subdivision 1. **Packaged fertilizers.** (a) A person may not sell or distribute specialty fertilizer in bags or other containers in this state unless a label is placed on or affixed to the bag or container stating in a clear, legible, and conspicuous form the following information:

- (1) the net weight and volume, if applicable;
- (2) the brand and grade, except the grade is not required if primary nutrients are not claimed;
- (3) the guaranteed analysis;
- (4) the name and address of the guarantor;
- (5) directions for use, except directions for use are not required for custom blend specialty fertilizers; and
- (6) a derivatives statement.

(b) A person may not sell or distribute fertilizer for agricultural purposes in bags or other containers in this state unless a label is placed on or affixed to the bag or container stating in a clear, legible, and conspicuous form the information listed in paragraph (a), clauses (1) to (4), except:

(1) the grade is not required if primary nutrients are not claimed; and

(2) the grade on the label is optional if the fertilizer is used only for agricultural purposes and the guaranteed analysis statement is shown in the complete form as in section 18C.211.

(c) The labeled information must appear:

(1) on the front or back side of the container;

(2) on the upper one-third of the side of the container;

(3) on the upper end of the container; or

(4) printed on a tag affixed to the upper end of the container.

(d) If a person sells a custom blend specialty fertilizer in bags or other containers, the information required in paragraph (a) must either be affixed to the bag or container as required in paragraph (c) or be furnished to the customer on an invoice or delivery ticket in written or printed form.

Sec. 21. Minnesota Statutes 2022, section 18C.221, is amended to read:

**18C.221 FERTILIZER PLANT FOOD CONTENT.**

(a) Products that are deficient in plant food content are subject to this subdivision.

(b) An analysis must show that a fertilizer is deficient:

(1) in one or more of its guaranteed primary plant nutrients beyond the investigational allowances and compensations as established by regulation; or

(2) if the overall index value of the fertilizer is shown below the level established by rule.

(c) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly subject to official action.

(d) For the purpose of determining the commercial index value to be applied, the commissioner shall determine at least annually the values per unit of nitrogen, available ~~phosphoric acid~~ phosphate, and soluble potash in fertilizers in this state.

(e) If a fertilizer in the possession of the consumer is found by the commissioner to be short in weight, the registrant or licensee of the fertilizer must submit a penalty payment of two times the value of the actual shortage to the consumer within 30 days after official notice from the commissioner.

Sec. 22. Minnesota Statutes 2023 Supplement, section 18C.421, subdivision 1, is amended to read:

Subdivision 1. **Annual tonnage report.** (a) Each registrant under section 18C.411 and licensee under section 18C.415 shall file an annual tonnage report for the previous year ending June 30 with the commissioner, on forms provided or approved by the commissioner, utilizing uniform fertilizer tonnage reporting system codes and stating the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state or the number of net tons and grade of each raw fertilizer material distributed in this state during the reporting period.

(b) A tonnage report is not required to be submitted and an inspection fee under section 18C.425, subdivision 6, is not required to be paid to the commissioner by a licensee who distributes fertilizer solely by custom application.

(c) The annual tonnage report must be submitted to the commissioner on or before July 31 of each year.

(d) The inspection fee under section 18C.425, subdivision 6, must accompany the statement.

(e) The commissioner must produce an annual fertilizer sales report and post this report on the commissioner's website.

Sec. 23. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay the inspection fee set under paragraph (e); and ~~until June 30, 2024,~~ an additional 40 cents per ton<sup>7</sup> of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, until June 30, 2025, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80; and after June 30, 2025, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the private well drinking-water assistance account established in section 18C.90. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

(e) By commissioner's order, the commissioner must set the inspection fee at no less than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a public meeting before increasing the fee by more than five cents per ton.

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

Sec. 24. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2026.

Sec. 25. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2026.

Sec. 26. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2026.

Sec. 27. **[18C.90] PRIVATE WELL DRINKING-WATER ASSISTANCE PROGRAM.**

Subdivision 1. **Account; appropriation.** A private well drinking-water assistance account is established in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner for aid payments to community health boards under subdivision 2.

Subd. 2. **Aid payments.** (a) At least annually, the commissioner must make aid payments to community health boards established under chapter 145A for purposes of assisting eligible residents under subdivision 3.

(b) The commissioner must award proportional aid payments to eligible community health boards based on each board's share of total private drinking-water wells in the state with documented nitrate in excess of ten milligrams per liter, as determined by the commissioner in consultation with the commissioners of health and the Pollution Control Agency.

Subd. 3. **Provision of safe drinking water.** (a) For purposes of this section, "safe drinking water" means water required for drinking, cooking, and maintaining oral hygiene that has a nitrate level of no more than ten milligrams per liter.

(b) Community health boards must use aid payments received under subdivision 2 to assist residents in obtaining safe drinking water when the documented level of nitrate in the resident's private drinking-water well is more than ten milligrams per liter, with priority given to pregnant women and children under the age of one.

(c) Community health boards must assist eligible residents in obtaining safe drinking water through one or more of the following methods:

(1) convenient bottled water distribution or delivery;

(2) reverse osmosis treatment unit acquisition, installation, and maintenance;

(3) connection to a public water system; or

(4) another method, as determined by the commissioner of health, that provides eligible residents with a sufficient quantity of safe drinking water.

Subd. 4. **Reports.** No later than January 15 each year, the commissioner must report outcomes achieved under this section and any corresponding recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and health.

Sec. 28. Minnesota Statutes 2022, section 18D.301, subdivision 1, is amended to read:

Subdivision 1. **Enforcement required.** (a) The commissioner shall enforce this chapter and chapters 18B, 18C, and 18F.

(b) Violations of chapter 18B, 18C, or 18F or rules adopted under chapter 18B, 18C, or 18F, or section 103H.275, subdivision 2, are a violation of this chapter.

(c) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter or special orders, standards, stipulations, and agreements of the commissioner.

Sec. 29. Minnesota Statutes 2023 Supplement, section 18K.06, is amended to read:

**18K.06 RULEMAKING.**

(a) ~~The commissioner shall adopt rules governing the production, testing, processing, and licensing of industrial hemp. Notwithstanding the two-year limitation for exempt rules under section 14.388, subdivision 1, Minnesota Rules, chapter 1565, published in the State Register on August 16, 2021, is effective until August 16, 2025, or until permanent rules implementing chapter 18K are adopted, whichever occurs first may adopt or amend rules governing the production, testing, processing, and licensing of industrial hemp using the procedure in section 14.386, paragraph (a). Section 14.386, paragraph (b), does not apply to rules adopted or amended under this section.~~

(b) Rules adopted under paragraph (a) must include but not be limited to provisions governing:

- (1) the supervision and inspection of industrial hemp during its growth and harvest;
- (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;
- (3) the use of background check results required under section 18K.04 to approve or deny a license application; and
- (4) any other provision or procedure necessary to carry out the purposes of this chapter.

(c) Rules issued under this section must be consistent with federal law regarding the production, distribution, and sale of industrial hemp.

Sec. 30. Minnesota Statutes 2022, section 28A.10, is amended to read:

**28A.10 POSTING OF LICENSE; RULES.**

All such licenses shall be issued for a period of one year and shall be posted or displayed in a conspicuous place at the place of business so licensed. ~~Except as provided in sections 29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the commissioner shall be deposited into the state treasury and credited to the general fund.~~ The commissioner may adopt such rules in conformity with law as the commissioner deems necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

Sec. 31. Minnesota Statutes 2022, section 28A.21, subdivision 6, is amended to read:

Subd. 6. **Expiration.** This section expires June 30, ~~2027~~ 2037.

Sec. 32. Minnesota Statutes 2022, section 31.74, is amended to read:

**31.74 SALE OF IMITATION HONEY.**

Subdivision 1. **Honey defined.** As used in this section "honey" means the nectar and saccharine exudation of plants, gathered, modified and stored in the comb by honey bees, which is levorotatory, contains not more than 25 percent of water, not more than 25/100 percent of ash, and not more than eight percent sucrose.

Subd. 2. **Prohibited sale.** Notwithstanding any law or rule to the contrary, it is unlawful for any person to sell or offer for sale any product which is in semblance of honey and which is labeled, advertised, or otherwise represented to be honey, if it is not honey. The word "imitation" shall not be used in the name of a product which is in semblance of honey whether or not it contains any honey. The label for a product which is not in semblance of honey and which contains honey may include the word "honey" in the name of the product and the relative position of the word "honey" in the product name, and in the list of ingredients, when required, shall be determined by its prominence as an ingredient in the product.

Subd. 4. **Food consisting of honey and another sweetener.** Consistent with the federal act, the federal regulations incorporated under section 31.101, subdivision 7, and the prohibition against misbranding in sections 31.02 and 34A.03, the label for a food in semblance of honey and consisting of honey and another sweetener must include but is not limited to the following elements:

(1) a statement of identity that accurately identifies or describes the nature of the food or its characterizing properties or ingredients; and

(2) the common or usual name of each ingredient in the ingredient statement, in descending order of predominance by weight.

Sec. 33. Minnesota Statutes 2022, section 31.94, is amended to read:

#### **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

(a) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:

(1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;

(2) work with the University of Minnesota and other research and education institutions to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;

(3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;

(4) inform agencies about state or federal programs that support organic agriculture practices; and

(5) work closely with producers, producer organizations, the University of Minnesota, and other appropriate agencies and organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, marketing, and extension work relating to organic agriculture.

(b) By November 15 of each year that ends in a zero or a five, the commissioner, in conjunction with the task force created in paragraph (c), shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include available data on organic acreage and production, available data on the sales or market performance of organic products, and recommendations regarding programs, policies, and research efforts that will benefit Minnesota's organic agriculture sector.

(c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the University of Minnesota on policies and programs that will improve organic agriculture in Minnesota, including how available resources can most effectively be used for outreach, education, research, and technical assistance that meet the needs of the organic agriculture sector. The task force must consist of the following residents of the state:

(1) three organic farmers;

- (2) one wholesaler or distributor of organic products;
- (3) one representative of organic certification agencies;
- (4) two organic processors;
- (5) one representative from University of Minnesota Extension;
- (6) one University of Minnesota faculty member;
- (7) one representative from a nonprofit organization representing producers;
- (8) two public members;
- (9) one representative from the United States Department of Agriculture;
- (10) one retailer of organic products; and
- (11) one organic consumer representative.

The commissioner, in consultation with the director of the Minnesota Agricultural Experiment Station; the dean and director of University of Minnesota Extension and the dean of the College of Food, Agricultural and Natural Resource Sciences, shall appoint members to serve three-year terms.

Compensation and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from state and federal sources and spend them, including through grants or contracts, to assist producers and processors to achieve certification, to conduct education or marketing activities, to enter into research and development partnerships, or to address production or marketing obstacles to the growth and well-being of the industry.

(e) The commissioner may facilitate the registration of state organic production and handling operations including those exempt from organic certification according to Code of Federal Regulations, title 7, section 205.101, and accredited certification agencies operating within the state.

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

Sec. 34. Minnesota Statutes 2022, section 32D.30, is amended to read:

**32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

Subdivision 1. **Program.** The commissioner must implement a dairy development and profitability enhancement program consisting of a dairy profitability enhancement ~~teams and~~ program, dairy business planning grants, and other services to support the dairy industry.

Subd. 2. **Dairy profitability enhancement ~~teams~~ program.** (a) The dairy profitability enhancement ~~teams~~ program must provide ~~one-on-one~~ information and technical assistance to dairy farms of all sizes to enhance their financial success and long-term sustainability. ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state ~~and~~. Assistance to producers from the program may consist of be provided

individually, as a team, or through other methods by farm business management instructors, dairy extension specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities including such as comprehensive financial analysis, risk management education, enhanced milk marketing tools and technologies, and facilitating or improving production systems, including rotational grazing and other sustainable agriculture methods, and value-added opportunities.

(b) The commissioner must make grants to regional or statewide organizations qualified to manage the various components of the ~~teams program and serve as program administrators~~. Each regional or statewide organization must designate a coordinator responsible for overseeing the program and submitting periodic reports to the commissioner regarding aggregate changes in producer financial stability, productivity, product quality, animal health, environmental protection, and other performance measures attributable to the program. The organizations must submit this information in a format that maintains the confidentiality of individual dairy producers.

Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive business plans~~ use technical assistance services for evaluating operations, transitional changes, expansions, improvements, and other business modifications. Producers and processors must not use dairy business planning grants for capital improvements.

Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate dairy development and profitability enhancement program dollars ~~among~~ for the permissible uses specified in this section and other needs to support the dairy industry, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to the state's dairy farmers.

Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a detailed accomplishment report and work plan detailing future plans for, and the actual and anticipated accomplishments from, expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. If the commissioner significantly modifies a submitted work plan during the fiscal year, the commissioner must notify the chairs and ranking minority members.

Sec. 35. Minnesota Statutes 2023 Supplement, section 41A.19, is amended to read:

#### **41A.19 REPORT; INCENTIVE PROGRAMS.**

By January 15 each year, the commissioner shall report on the incentive and tax credit programs under sections 41A.16, 41A.17, 41A.18, ~~and~~ 41A.20, and 41A.30 to the legislative committees with jurisdiction over environment policy and finance and agriculture policy and finance. The report shall include information on production ~~and~~ blending, incentive expenditures, and tax credit certificates awarded under the programs, ~~as well as the following information that the commissioner must require of each producer or blender who receives a payment or a tax credit certificate during the reporting period:~~

(1) the producer's or blender's business structure;

(2) the name and address of the producer's or blender's parent company, if any;

(3) a cumulative list of all financial assistance received from all public grantors for the project;

(4) goals for the number of jobs created and progress in achieving these goals, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained;

(5) equity hiring goals and progress in achieving these goals;

(6) wage goals and progress in achieving these goals for all jobs created or maintained by the producer or blender;

(7) board member and executive compensation;

(8) evidence of compliance with environmental permits;

(9) the producer's or blender's intended and actual use of payments from, or tax credits approved by, the commissioner; and

(10) if applicable, the latest financial audit opinion statement produced by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

Sec. 36. Minnesota Statutes 2022, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 37. Minnesota Statutes 2022, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal or ~~\$525,000~~ \$625,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 38. Minnesota Statutes 2022, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 39. Minnesota Statutes 2022, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 40. Minnesota Statutes 2022, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion and modernization loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or ~~\$525,000~~ \$625,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 41. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement a disaster recovery loan program to help farmers:

(1) clean up, repair, or replace farm structures and septic and water systems, as well as replace seed, other crop inputs, feed, and livestock;

(2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems and practices, and feed when drought is the cause of the purchase;

(3) restore farmland;

(4) replace flocks or livestock, make building improvements, or cover the loss of revenue when the replacement, improvements, or loss of revenue is due to the confirmed presence of a highly contagious animal disease in a commercial poultry or game flock, or a commercial livestock operation, located in Minnesota; or

(5) cover the loss of revenue when the revenue loss is due to an infectious human disease for which the governor has declared a peacetime emergency under section 12.31.

Sec. 42. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer licensed under this chapter must annually submit to the commissioner a financial statement prepared by a third-party independent accountant or certified public accountant in accordance with ~~generally accepted accounting principles~~ national or international accounting standards. The annual financial statement required under this subdivision must also:

(1) include, but not be limited to the following:

(i) a balance sheet;

(ii) a statement of income (profit and loss);

(iii) a statement of retained earnings;

(iv) a statement of ~~changes in financial position~~ cash flow; and

(v) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer;

(2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants or similar international standards;

~~(3) be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, and where applicable, all members of the governing board of directors under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement;~~

~~(4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants, and must show that the financial statements are free from material misstatements; and~~

~~(5) (3) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited or reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants ~~and~~ or similar international standards. An audit must include an opinion statement from the certified public accountant- performing the audit; and~~

(4) for grain buyers purchasing \$20,000,000 or more of grain annually, be audited by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants or similar international standards. The audit must include an opinion statement from the certified public accountant performing the audit.

(b) Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

(c) A grain buyer who purchases grain immediately upon delivery solely with cash; ~~a certified check; a cashier's check; or a postal, bank, or express money order~~, as defined in section 223.16, subdivision 2a, paragraph (b), is exempt from this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

(d) For an entity that qualifies for the exemption in paragraph (c), the commissioner retains the right to require the entity to provide the commissioner with financial reporting based on inspections, any report of nonpayment, or other documentation related to violations of this chapter, chapter 232, or Minnesota Rules, chapter 1562.

(e) To ensure compliance with this chapter, the commissioner must annually review financial statements submitted under paragraph (a).

~~(d) (f) The commissioner shall annually provide information on a person's fiduciary duties to each licensee. ~~To the extent practicable, the commissioner must direct each licensee to provide this information to all persons required to certify the licensee's financial statement under paragraph (a), clause (3).~~~~

(g) The commissioner may require an entity to provide additional financial statements or financial reporting, including audited financial statements.

Sec. 43. Minnesota Statutes 2022, section 232.21, subdivision 3, is amended to read:

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's designee.

Sec. 44. Minnesota Statutes 2022, section 232.21, subdivision 7, is amended to read:

Subd. 7. **Grain.** "Grain" means any ~~cereal grain, coarse grain, or oilseed in unprocessed form for which a standard has been established by the United States Secretary of Agriculture, dry edible beans, or agricultural crops designated by the commissioner by rule~~ product commonly referred to as grain, including wheat, corn, oats, barley, rye, rice, soybeans, emmer, sorghum, triticale, millet, pulses, dry edible beans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, and other products ordinarily stored in grain warehouses.

Sec. 45. Minnesota Statutes 2022, section 232.21, subdivision 11, is amended to read:

Subd. 11. **Producer.** "Producer" means a person who ~~owns or manages a grain producing or growing operation and holds or shares the responsibility for marketing that grain produced~~ grows grain on land owned or leased by the person.

Sec. 46. Minnesota Statutes 2022, section 232.21, subdivision 12, is amended to read:

Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator" means: (1) a person licensed to operate ~~operating~~ a grain warehouse in which grain belonging to persons other than the grain warehouse operator is accepted for storage or purchase; ~~or;~~ (2) a person who offers grain storage or grain warehouse facilities to the public for hire; or (3) a feed-processing plant that receives and stores grain, the equivalent of which, it processes and returns to the grain's owner in amounts, at intervals, and with added ingredients that are mutually agreeable to the grain's owner and the person operating the plant.

Sec. 47. Minnesota Statutes 2022, section 232.21, subdivision 13, is amended to read:

Subd. 13. **Scale ticket.** "Scale ticket" means a memorandum ~~showing the weight, grade and kind of grain which~~ is issued by a grain elevator or warehouse operator to a depositor at the time the grain is delivered.

Sec. 48. **CREDIT MARKET REPORT REQUIRED.**

The commissioner of agriculture must convene a stakeholder working group to explore the state establishing a market for carbon credits, ecosystem services credits, or other credits generated by farmers who implement clean water, climate-smart, and soil-healthy farming practices. To the extent practicable, the stakeholder working group must include but is not limited to farmers; representatives of agricultural organizations; experts in geoscience, carbon storage, greenhouse gas modeling, and agricultural economics; industry representatives with experience in carbon markets and supply chain sustainability; and representatives of environmental organizations with expertise in carbon sequestration and agriculture. No later than February 1, 2025, the commissioner must report recommendations to the legislative committees with jurisdiction over agriculture. The commissioner must provide participating stakeholders an opportunity to include written testimony in the commissioner's report.

Sec. 49. **REPEALER.**

(a) Minnesota Statutes 2022, sections 3.7371, subdivision 7; and 34.07, are repealed.

(b) Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030; 1506.0035; and 1506.0040, are repealed.

## ARTICLE 8 BROADBAND

Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision to read:

Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year appropriation between the border-to-border broadband program, low density population broadband program, and the broadband line extension program to meet demand.

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

**Sec. 2. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL FUNDING; APPROPRIATION.**

(a) The commissioner of employment and economic development must prepare and submit an application to the United States Department of Commerce requesting State Digital Equity Capacity Grant Funding made available under Public Law 117-58, the Infrastructure Investment and Jobs Act.

(b) The amount awarded to Minnesota pursuant to the application submitted under paragraph (a) is appropriated to the commissioner of employment and economic development for purposes of the commissioner's Minnesota Digital Opportunity Plan.

ARTICLE 9  
GENERAL FUND ENERGY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2024</u></b>	<b><u>2025</u></b>
<b><u>\$-0-</u></b>	<b><u>\$1,133,000</u></b>

Sec. 2. **DEPARTMENT OF COMMERCE**

(a) \$500,000 in fiscal year 2025 is for a study to identify suitable sites statewide for the installation of thermal energy networks. This is a onetime appropriation and is available until December 31, 2025.

(b) \$500,000 in fiscal year 2025 is for transfer to the SolarAPP+ program account established under Minnesota Statutes, section 216C.48, for the awarding of incentives to local units of government that deploy federally developed software to automate the review of applications and issuance of permits for residential solar projects. Incentives may only be awarded to local units of government located outside the electric service territory of the public utility required to make payments under Minnesota Statutes, section 116C.779, subdivision 1. This is a onetime transfer and is available until June 30, 2028.

(c) \$133,000 in fiscal year 2025 is for participation in a Minnesota Public Utilities Commission proceeding to review electric transmission line owners' plans to deploy grid-enhancing technologies and issue an order to implement the plans. The base in fiscal year 2026 is \$265,000 and the base in fiscal year 2027 is \$265,000. The base in fiscal year 2028 is \$0.

Sec. 3. **PUBLIC UTILITIES COMMISSION**

**\$-0-**

**\$433,000**

(a) \$39,000 in fiscal year 2025 is for support of the Thermal Energy Network Deployment Workgroup and preparation of a report. The base in fiscal year 2026 is \$77,000, and the base in fiscal year 2027 is \$0.

(b) \$117,000 in fiscal year 2025 is for review of electric transmission line owners' plans to deploy grid-enhancing technologies and development of a commission order to implement approved plans. The base in fiscal year 2026 is \$157,000 and the base in fiscal year 2027 is \$157,000. The base in fiscal year 2028 is \$0.

(c) \$111,000 in fiscal year 2025 is for conducting a proceeding to develop a cost-sharing mechanism enabling developers of distributed generation projects to pay utilities to expand distribution line capacity in order to interconnect to the grid. The base in fiscal year 2026 is \$111,000 and the base in fiscal year 2027 is \$77,000. The base in fiscal year 2028 is \$0.

(d) \$166,000 in fiscal year 2025 is for participating in Public Utilities Commission proceedings to issue site and route permits for electric power facilities under revised administrative procedures. The base in fiscal year 2026 and thereafter is \$121,000.

ARTICLE 10  
RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

(b) If an appropriation in this article is enacted more than once in the 2024 regular or special legislative session, the appropriation must be given effect only once.

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

Sec. 2. **DEPARTMENT OF COMMERCE**

**\$-0-**

**\$14,200,000**

(a) \$5,000,000 in fiscal year 2025 is for a grant for construction of a geothermal energy system at Sabathani Community Center in Minneapolis. This is a onetime appropriation and is available until June 30, 2028.

(b) \$2,500,000 in fiscal year 2025 is for transfer to the geothermal planning grant account established under Minnesota Statutes, section 216C.47, for planning grants to political subdivisions to assess the feasibility and cost of constructing geothermal energy systems. This is a onetime appropriation and is available until June 30, 2027.

(c) \$5,000,000 in fiscal year 2025 is for a grant to Ramsey County Recycling and Energy Center and Dem-Con HZI Bioenergy LLC to construct an anaerobic digester energy system in Louisville Township. This is a onetime appropriation and is available until June 30, 2028.

(d) \$1,700,000 in fiscal year 2025 is for transfer to the SolarAPP+ program account established under Minnesota Statutes, section 216C.48, for the awarding of incentives to local units of government that deploy federally developed software to automate the review of applications and issuance of permits for residential solar projects. Incentives may only be awarded to political subdivisions located within the electric service territory of the public utility that is required to make payments under Minnesota Statutes, section 116C.779, subdivision 1. This is a onetime transfer.

## ARTICLE 11 GEOTHERMAL ENERGY

Section 1. Minnesota Statutes 2022, section 216B.2427, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428, the following terms have the meanings given.

(b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of biomass, or other effective conversion processes.

(c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise be released into the atmosphere.

(d) "Carbon-free resource" means an electricity generation facility whose operation does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(e) "Disadvantaged community" means a community in Minnesota that is:

(1) defined as disadvantaged by the federal agency disbursing federal funds, when the federal agency is providing funds for an innovative resource; or

(2) an environmental justice area, as defined under section 216B.1691, subdivision 1.

~~(e)~~ (f) "District energy" means a heating or cooling system that is solar thermal powered or that uses the constant temperature of the earth or underground aquifers as a thermal exchange medium to heat or cool multiple buildings connected through a piping network.

~~(g)~~ (g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f), but does not include energy conservation investments that the commissioner determines could reasonably be included in a utility's conservation improvement program.

~~(h)~~ (h) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by anthropogenic sources within Minnesota and from the generation of electricity imported from outside the state and consumed in Minnesota, excluding carbon dioxide that is injected into geological formations to prevent its release to the atmosphere in compliance with applicable laws.

~~(i)~~ (i) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture, strategic electrification, district energy, and energy efficiency.

~~(j)~~ (j) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas emissions resulting from the production, processing, transmission, and consumption of an energy resource.

~~(k)~~ (k) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas emissions per unit of energy delivered to an end user.

~~(l)~~ (l) "Nonexempt customer" means a utility customer that has not been included in a utility's innovation plan under subdivision 3, paragraph (f).

~~(m)~~ (m) "Power-to-ammonia" means the production of ammonia from hydrogen produced via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity than does natural gas produced from conventional geologic sources.

~~(n)~~ (n) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to produce hydrogen.

~~(o)~~ (o) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1.

~~(p)~~ (p) "Renewable natural gas" means biogas that has been processed to be interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural gas produced from conventional geologic sources.

~~(q)~~ (q) "Solar thermal" has the meaning given to qualifying solar thermal project in section 216B.2411, subdivision 2, paragraph (d).

~~(r)~~ (r) "Strategic electrification" means the installation of electric end-use equipment in an existing building in which natural gas is a primary or back-up fuel source, or in a newly constructed building in which a customer receives natural gas service for one or more end-uses, provided that the electric end-use equipment:

(1) results in a net reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient commercially available natural gas alternative; and

(2) is installed and operated in a manner that improves the load factor of the customer's electric utility.

Strategic electrification does not include investments that the commissioner determines could reasonably be included in the natural gas utility's conservation improvement program under section 216B.241.

(s) "Thermal energy network" means a project that provides heating and cooling to multiple buildings connected via underground piping containing fluids that, in concert with heat pumps, exchange thermal energy from the earth, underground or surface waters, wastewater, or other heat sources.

(~~+~~) (t) "Total incremental cost" means the calculation of the following components of a utility's innovation plan approved by the commission under subdivision 2:

(1) the sum of:

(i) return of and on capital investments for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(ii) incremental operating costs associated with capital investments in infrastructure for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(iii) incremental costs to procure innovative resources from third parties;

(iv) incremental costs to develop and administer programs; and

(v) incremental costs for research and development related to innovative resources;

(2) less the sum of:

(i) value received by the utility upon the resale of innovative resources or innovative resource by-products, including any environmental credits included with the resale of renewable gaseous fuels or value received by the utility when innovative resources are used as vehicle fuel;

(ii) cost savings achieved through avoidance of purchases of natural gas produced from conventional geologic sources, including but not limited to avoided commodity purchases and avoided pipeline costs; and

(iii) other revenues received by the utility that are directly attributable to the utility's implementation of an innovation plan.

(~~s~~) (u) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas sales or natural gas transportation services to customers in Minnesota.

Sec. 2. Minnesota Statutes 2022, section 216B.2427, is amended by adding a subdivision to read:

Subd. 9a. **Thermal energy networks.** Innovation plans filed after July 1, 2024, under this section by a utility with more than 800,000 customers must include spending of at least 15 percent of the utility's proposed total incremental costs over the five-year term of the proposed innovation plan for thermal energy networks projects. If the utility has developed or is developing thermal energy network projects outside of an approved innovation plan, the utility may apply the budget for the projects toward the 15 percent minimum requirement without counting the costs against the limitations on utility customer costs under subdivision 3.

Sec. 3. **[216C.47] GEOTHERMAL PLANNING GRANTS.**

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

(b) "Eligible applicant" means a county, city, town, or the Metropolitan Council.

(c) "Geothermal energy system" means a system that heats and cools one or more buildings by using the constant temperature of the earth as both a heat source and heat sink, and a heat exchanger consisting of an underground closed loop system of piping containing a liquid to absorb and relinquish heat within the earth. Geothermal energy system includes:

- (1) a bored geothermal heat exchanger, as defined in section 103I.005;
- (2) a groundwater thermal exchange device, as defined in section 103I.005; and
- (3) a submerged closed loop heat exchanger, as defined in section 103I.005.

Subd. 2. **Establishment.** A geothermal planning grant program is established in the department to provide financial assistance to eligible applicants to examine the technical and economic feasibility of installing geothermal energy systems.

Subd. 3. **Account established.** (a) The geothermal planning grant account is established as a separate account in the special revenue fund in the state treasury. The commissioner must credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until June 30, 2027. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to (1) award geothermal planning grants to eligible applicants, and (2) reimburse the reasonable costs incurred by the department to administer this section.

Subd. 4. **Application process.** An applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures to govern the application and grant award process. The commissioner may contract with a third party to conduct some or all of the program's operations.

Subd. 5. **Grant awards.** (a) A grant awarded under this process may be used to pay the total cost of the activities eligible for funding under subdivision 6, up to a limit of \$150,000.

(b) The commissioner must endeavor to award grants to eligible applicants in all regions of Minnesota.

(c) Grants may be awarded under this section only to projects whose work is completed after July 1, 2024.

Subd. 6. **Eligible grant expenditures.** Activities that may be funded with a grant awarded under this section include:

(1) analysis of the heating and cooling demand of the building or buildings that consume energy from the geothermal energy system;

(2) evaluation of equipment that could be combined with a geothermal energy system to meet the building's heating and cooling requirement;

(3) analysis of the geologic conditions of the earth in which a geothermal energy system operates, including the drilling of one or more test wells to characterize geologic materials and to measure properties of the earth and aquifers that impact the feasibility of installing and operating a geothermal energy system; and

(4) preparation of a financial analysis of the project.

Subd. 7. **Contractor and subcontractor requirements.** Contractors and subcontractors performing work funded with a grant awarded under this section must have experience installing geothermal energy systems.

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

Sec. 4. **THERMAL ENERGY NETWORK DEPLOYMENT WORK GROUP.**

Subdivision 1. **Direction.** The Public Utilities Commission must establish and appoint a thermal energy network deployment work group to examine (1) the potential regulatory opportunities for regulated natural gas utilities to deploy thermal energy networks, and (2) potential barriers to development. The work group must examine the public benefits, costs, and impacts of deployment of thermal energy networks, as well as examine rate design options.

Subd. 2. **Membership.** (a) The work group consists of at least the following:

- (1) representatives of the Department of Commerce;
- (2) representatives of the Department of Health;
- (3) representatives of the Pollution Control Agency;
- (4) representatives of the Department of Natural Resources;
- (5) representatives of the Office of the Attorney General;
- (6) representatives from utilities;
- (7) representatives from clean energy advocacy organizations;
- (8) representatives from labor organizations;
- (9) geothermal technology providers;
- (10) representatives from consumer protection organizations;
- (11) representatives from cities; and
- (12) representatives from low-income communities.

(b) The executive secretary of the Public Utilities Commission may invite others to participate in one or more meetings of the work group.

(c) In appointing members to the work group, the Public Utilities Commission shall endeavor to ensure that all geographic regions of Minnesota are represented.

Subd. 3. **Duties.** The work group must prepare a report containing findings and recommendations regarding how to deploy thermal energy networks within a regulated context in a manner that protects the public interest and considers reliability, affordability, environmental impacts, and socioeconomic impacts.

Subd. 4. **Report to legislature.** The work group must submit a report detailing the work group's findings and recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over energy policy and finance by December 31, 2025. The work group terminates the day after the report under this subdivision is submitted.

Subd. 5. **Notice and comment period.** The executive secretary of the Public Utilities Commission must file the completed report in Public Utilities Commission Docket No. G-999/CI-21-565 and provide notice to all docket participants and other interested persons that comments on the findings and recommendations may be filed in the docket.

Subd. 6. **Definition.** For the purposes of this section, "thermal energy network" means a project that provides heating and cooling to multiple buildings connected via underground piping containing fluids that, in concert with heat pumps, exchange thermal energy from the earth, underground or surface waters, wastewater, or other heat sources.

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

Sec. 5. **THERMAL ENERGY NETWORK SITE SUITABILITY STUDY.**

(a) The Department of Commerce shall conduct or contract for a study to determine the suitability of sites to deploy thermal energy networks statewide.

(b) The study must:

(1) identify areas more and less suitable for deployment of thermal energy networks statewide; and

(2) identify potential barriers to the deployment of thermal energy networks and potential ways to address the barriers.

(c) In determining site suitability, the study must consider:

(1) geologic or hydrologic access to thermal storage;

(2) the existing built environment, including but not limited to age, density, building uses, existing heating and cooling systems, and existing electrical services;

(3) the condition of existing natural gas infrastructure;

(4) road and street conditions, including planned replacement or maintenance;

(5) local land use regulations;

(6) area permitting requirements; and

(7) whether the area is an environmental justice area, as defined in section 116.065, subdivision 1, paragraph (e).

(d) No later than January 15, 2026, the Department of Commerce must submit a written report documenting the study's findings to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy and finance.

(e) For the purposes of this section, "thermal energy network" means a project that provides heating and cooling to multiple buildings connected via underground piping containing fluids that, in concert with heat pumps, exchange thermal energy from the earth, underground or surface waters, wastewater, or other heat sources.

ARTICLE 12  
ELECTRIC TRANSMISSION

Section 1. Minnesota Statutes 2022, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. **Large energy facility.** "Large energy facility" means:

(1) any electric power generating plant or combination of plants at a single site with a combined capacity of 50,000 kilowatts or more and transmission lines directly associated with the plant that are necessary to interconnect the plant to the transmission system;

(2) any high-voltage transmission line with a capacity of ~~200~~ 300 kilovolts or more and greater than ~~1,500 feet~~ 30 miles in length;

~~(3) any high voltage transmission line with a capacity of 100 kilovolts or more with more than ten miles of its length in Minnesota or that crosses a state line;~~

~~(4)~~ (3) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil, or their derivatives;

~~(5)~~ (4) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

~~(6)~~ (5) any facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;

~~(7)~~ (6) any underground gas storage facility requiring a permit pursuant to section 103I.681;

~~(8)~~ (7) any nuclear fuel processing or nuclear waste storage or disposal facility; and

~~(9)~~ (8) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any project that has filed an application for a certificate of need or a site or route permit from the commission on or after that date.

Sec. 2. Minnesota Statutes 2022, section 216B.2425, subdivision 1, is amended to read:

Subdivision 1. **List.** The commission shall maintain a list of certified high-voltage transmission line and grid enhancing technology projects.

**EFFECTIVE DATE.** This section is effective June 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 216B.2425, is amended by adding a subdivision to read:

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

(b) "Capacity" means the maximum amount of electricity that can flow through a transmission line while observing industry safety standards.

(c) "Congestion" means a condition in which a lack of transmission line capacity prevents the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

(d) "Dynamic line rating" means hardware or software used to calculate the thermal limit of existing transmission lines at a specific point in time by incorporating information on real-time and forecasted weather conditions.

(e) "Grid enhancing technology" means hardware or software that reduces congestion or enhances the flexibility of the transmission system by increasing the capacity of a high-voltage transmission line or rerouting electricity from overloaded to uncongested lines, while maintaining industry safety standards. Grid enhancing technologies include but are not limited to dynamic line rating, advanced power flow controllers, and topology optimization.

(f) "Power flow controller" means hardware and software used to reroute electricity from overloaded transmission lines to underutilized transmission lines.

(g) "Thermal limit" means the temperature a transmission line reaches when heat from the electric current flow within the transmission line causes excessive sagging of the transmission line.

(h) "Topology optimization" means a software technology that uses mathematical models to identify reconfigurations in the transmission grid in order to reroute electricity from overloaded transmission lines to underutilized transmission lines.

(i) "Transmission line" has the meaning given to "high-voltage transmission line" in section 216E.01, subdivision 4.

(j) "Transmission system" means a network of high-voltage transmission lines owned or operated by an entity subject to this section that transports electricity to Minnesota customers.

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

Sec. 4. Minnesota Statutes 2022, section 216B.2425, subdivision 2, is amended to read:

Subd. 2. **List development; transmission and grid enhancing technology projects report.** (a) By November 1 of each odd-numbered year, a transmission projects report must be submitted to the commission by each utility, organization, or company that:

(1) is a public utility, a municipal utility, a cooperative electric association, the generation and transmission organization that serves each utility or association, or a transmission company; and

(2) owns or operates electric transmission lines in Minnesota, except a company or organization that owns a transmission line that serves a single customer or interconnects a single generating facility.

(b) The report may be submitted jointly or individually to the commission.

(c) The report must:

(1) list specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;

(2) identify alternative means of addressing each inadequacy listed, including grid enhancing technologies such as dynamic line rating, power flow controllers, topology optimization, and other hardware or software that reduce congestion or enhance the flexibility of the transmission system;

(3) identify general economic, environmental, and social issues associated with each alternative; and

(4) provide a summary of public input related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

(d) To meet the requirements of this subdivision, reporting parties may rely on available information and analysis developed by a regional transmission organization or any subgroup of a regional transmission organization and may develop and include additional information as necessary.

(e) In addition to providing the information required under this subdivision, a utility operating under a multiyear rate plan approved by the commission under section 216B.16, subdivision 19, shall identify in its report investments that it considers necessary to modernize the transmission and distribution system by enhancing reliability, improving security against cyber and physical threats, and by increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

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

Sec. 5. Minnesota Statutes 2022, section 216B.243, subdivision 3, is amended to read:

Subd. 3. **Showing required for construction.** No proposed large energy facility shall be certified for construction unless the applicant can show that demand for electricity cannot be met more cost effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need. In assessing need, the commission shall evaluate:

(1) the accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

(2) the effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

(3) the relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared under section 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed line to regional energy needs, as presented in the transmission plan submitted under section 216B.2425;

(4) promotional activities that may have given rise to the demand for this facility;

(5) benefits of this facility, including its uses to protect or enhance environmental quality, and to increase reliability of energy supply in Minnesota and the region;

(6) possible alternatives for satisfying the energy demand or transmission needs including but not limited to potential for increased efficiency and upgrading of existing energy generation and transmission facilities, load-management programs, and distributed generation, except that the commission shall not evaluate alternative endpoints for a high-voltage transmission line unless (i) the alternative endpoints are consistent with endpoints identified in a Transmission Expansion Plan approved by the board of directors of the Midcontinent Independent System Operator, or (ii) the applicant agrees to the evaluation of the alternative endpoints;

(7) the policies, rules, and regulations of other state and federal agencies and local governments;

(8) any feasible combination of energy conservation improvements, required under section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed facility, and (ii) compete with it economically;

(9) with respect to a high-voltage transmission line, the benefits of enhanced regional reliability, access, or deliverability to the extent these factors improve the robustness of the transmission system or lower costs for electric consumers in Minnesota;

(10) whether the applicant or applicants are in compliance with applicable provisions of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date certain an application for certificate of need under this section or for certification as a priority electric transmission project under section 216B.2425 for any transmission facilities or upgrades identified under section 216B.2425, subdivision 7;

(11) whether the applicant has made the demonstrations required under subdivision 3a; and

(12) if the applicant is proposing a nonrenewable generating plant, the applicant's assessment of the risk of environmental costs and regulation on that proposed facility over the expected useful life of the plant, including a proposed means of allocating costs associated with that risk.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to dockets pending at the Public Utilities Commission on or after that date.

Sec. 6. Minnesota Statutes 2023 Supplement, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a large wind energy conversion system, as defined in section ~~216F.01~~ 216E.01, subdivision ~~2~~ 6a, or a solar energy generating system, as defined in section 216E.01, subdivision 9a, for which a site permit application is submitted by an independent power producer under chapter 216E or 216F; ~~or~~

(8) a large wind energy conversion system, as defined in section ~~216F.01~~ 216E.01, subdivision ~~2~~ 6a, or a solar energy generating system that is a large energy facility, as defined in section 216B.2421, subdivision 2, engaging in a repowering project that:

(i) will not result in the system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the system exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase;

(9) a transmission line directly associated with and necessary to interconnect any of the following facilities with the electric transmission grid:

(i) a large wind energy conversion system, as defined in section 216E.01, subdivision 6a;

(ii) a solar energy generating system that is a large electric power generating plant; or

(iii) an energy storage system, as defined in section 216E.01, subdivision 3a;

(10) an energy storage system, as defined in section 216E.01, subdivision 3a; or

(11) relocation of an existing high-voltage transmission line, provided the line's voltage is not increased.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

(3) increasing the nameplate capacity of a large wind energy conversion system.

Sec. 7. Minnesota Statutes 2022, section 216B.243, subdivision 9, is amended to read:

Subd. 9. **Renewable energy standard and carbon-free energy standard facilities.** This section does not apply to a wind energy conversion system or a solar electric generation facility that is intended to be used to meet the obligations of section 216B.1691, subdivision 2a or 2g; provided that, after notice and comment, the commission determines that the facility is a reasonable and prudent approach to meeting a utility's obligations under that section. When making this determination, the commission must consider:

(1) the size of the facility relative to a utility's total need for renewable resources;

(2) alternative approaches for supplying the renewable energy to be supplied by the proposed facility;

(3) the facility's ability to promote economic development, as required under section 216B.1691, subdivision 9;

(4) the facility's ability to maintain electric system reliability;

(5) impacts on ratepayers; and

(6) other criteria as the commission may determine are relevant.

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

Sec. 8. Minnesota Statutes 2022, section 216B.246, subdivision 3, is amended to read:

Subd. 3. **Commission procedure.** (a) If an electric transmission line has been approved for construction in a federally registered planning authority transmission plan, the incumbent electric transmission owner, or owners if there is more than one owner, shall give notice to the commission, in writing, within ~~90~~ 30 days of approval, regarding its intent to construct, own, and maintain the electric transmission line. If an incumbent electric transmission owner gives notice of intent to build the electric transmission line then, unless exempt from the requirements of section 216B.243, within ~~48~~ 12 months from the date of the notice described in this paragraph ~~or such longer time approved by the commission~~, the incumbent electric transmission owner shall file an application for a certificate of need under section 216B.243 or certification under section 216B.2425.

(b) If the incumbent electric transmission owner indicates that it does not intend to build the transmission line, such notice shall fully explain the basis for that decision. If the incumbent electric transmission owner, or owners, gives notice of intent not to build the electric transmission line, then the commission may determine whether the incumbent electric transmission owner or other entity will build the electric transmission line, taking into consideration issues such as cost, efficiency, reliability, and other factors identified in this chapter.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any electric transmission line that has been approved for construction in a federally registered planning authority transmission plan on or after that date.

Sec. 9. Minnesota Statutes 2022, section 216E.03, as amended by Laws 2023, chapter 7, sections 25, 26, 27, and 28, and Laws 2023, chapter 60, article 12, sections 50, 51, 52, 53, and 54, is amended to read:

### **216E.03 DESIGNATING SITES AND ROUTES.**

Subdivision 1. **Site permit.** ~~No person may construct~~ A large electric generating plant ~~or~~, an energy storage system, or a large wind energy conversion system that has not received a site permit from a county under section 216E.05, subdivision 4, may not be constructed: (1) without a site permit from the commission; ~~A large electric generating plant or an energy storage system may be constructed only;~~ and (2) on a site other than the site approved by the commission. The commission must incorporate into one proceeding the route selection for a high-voltage transmission line that is directly associated with and necessary to interconnect ~~the~~ a large electric generating plant, energy storage system, or large wind energy conversion system to the transmission system and whose need is certified under section 216B.243.

Subd. 2. **Route permit.** No person may construct a high-voltage transmission line without a route permit from the commission. A high-voltage transmission line may be constructed only along a route approved by the commission.

Subd. 2a. **Preapplication coordination.** (a) At least 30 days before filing an application with the commission, an applicant must provide notice to:

- (1) each local unit of government within which a site or route may be proposed;
- (2) Minnesota Tribal governments, as defined under section 10.65, subdivision 2;
- (3) the state agencies that are represented on the Environmental Quality Board; and
- (4) the State Historic Preservation Office.

(b) The notice must describe the proposed project and provide the entities receiving the notice an opportunity for preapplication coordination or feedback.

Subd. 2b. **Preapplication review.** (a) Before submitting an application under this chapter, an applicant must provide a draft application to commissioner of commerce for review. A draft application must not be filed electronically.

(b) The commissioner of commerce's draft application review must focus on the application's completeness and clarifications that may assist the commission's review of the application. Upon completion of the preapplication review under this subdivision, commissioner of commerce must provide the applicant a summary of the completeness review. The applicant may include the completeness review summary with the applicant's application under subdivision 3.

Subd. 3. **Application.** (a) Any person seeking to construct a large electric power facility must apply to the commission for a site or route permit, as applicable. The application shall contain such information as the commission may require. The applicant shall propose ~~at least two sites~~ a single site for a large electric power facility and ~~two routes~~ one route for a high-voltage transmission line. ~~Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.~~

(b) The commission's designee must determine whether an application is complete and advise the applicant of any deficiencies within ten days of the date an application is received.

(c) An application is not incomplete if:

(1) information that is not included in the application may be obtained from the applicant prior to the initial public meeting; and

(2) the information that is not included in the application is not essential to provide adequate notice.

Subd. 3a. **Project notice.** At least 90 days before filing an application with the commission, the applicant shall provide notice to each local unit of government within which a route may be proposed. The notice must describe the proposed project and the opportunity for a preapplication consultation meeting with local units of government as provided in subdivision 3b.

Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project notice, local units of government may request the applicant to hold a consultation meeting with local units of government. Upon receiving notice from a local unit of government requesting a preapplication consultation meeting, the applicant shall arrange the meeting at a location chosen by the local units of government. A single public meeting for which each local government unit requesting a meeting is given notice satisfies the meeting requirement of this subdivision.

Subd. 4. **Application notice.** Within 15 days after submission of an application to the commission, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and town in which any part of the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is on or adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county

treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the commission for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

~~Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric power facility for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes, excluding any alternate site for a solar energy generating system that was not proposed by an applicant.~~

~~(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a large electric power generating plant and is not proposed by a utility, the commissioner must make a finding in the environmental impact statement whether the project is likely to result in a net reduction of carbon dioxide emissions, considering both the utility providing electric service to the proposed cogeneration facility and any reduction in carbon dioxide emissions as a result of increased efficiency from the production of thermal energy on the part of the customer operating or owning the proposed cogeneration facility.~~

~~Subd. 6. **Public hearing.** The commission shall hold a public hearing on an application for a site or route permit for a large electric power facility. All hearings held for designating a site or route shall be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given by the commission at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.~~

~~Subd. 5a. **Public meeting.** (a) Within 20 days after the date the commission determines an application is complete, to the extent practicable, the commission must hold at least one public meeting in a location near the proposed project's location to explain the permitting process, present major issues, and respond to questions raised by the public.~~

~~(b) At the public meeting and in written comments that the commission must accept for at least ten days following the date of the public meeting, members of the public may submit comments on potential impacts, permit conditions, and alternatives the commission should evaluate when considering the application.~~

~~Subd. 6a. **Draft permit.** Within 30 days after the date the public comment period closes following the public hearing in section 216.035, subdivision 2, or section 216E.04, subdivision 6, to the extent practicable, the commission must:~~

~~(1) prepare a draft site or route permit for the proposed facility. The draft permit must identify the person or persons who are the permittee, describe the proposed project, and include proposed permit conditions. A draft site or route permit does not authorize a person to construct a proposed facility. The commission may change the draft site permit in any respect before final issuance or may deny the permit; and~~

~~(2) identify any issues or alternatives that must be evaluated in an addendum to an environmental assessment prepared under section 216E.041 or an environmental impact statement prepared under section 216E.035.~~

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power facilities and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved;

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities;

(13) evaluation of the benefits of the proposed facility with respect to (i) the protection and enhancement of environmental quality, and (ii) the reliability of state and regional energy supplies;

(14) evaluation of the proposed facility's impact on socioeconomic factors; and

(15) evaluation of the proposed facility's employment and economic impacts in the vicinity of the facility site and throughout Minnesota, including the quantity and quality of construction and permanent jobs and their compensation levels. The commission must consider a facility's local employment and economic impacts, and may reject or place conditions on a site or route permit based on the local employment and economic impacts.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

**Subd. 8. Recording of survey points.** The permanent location of monuments or markers found or placed by a utility in a survey of right-of-way for a route shall be placed on record in the office of the county recorder or registrar of titles. No fee shall be charged to the utility for recording this information.

~~Subd. 9. **Timing.** The commission shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the commission's determination that an application is complete. The commission may extend this time limit for up to three months for just cause or upon agreement of the applicant.~~

~~Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.~~

~~(b) No route permit shall be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary, and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.~~

~~(c) The commission must require as a condition of permit issuance, including issuance of a modified permit for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of a site permit to construct a large electric power generating plant, including all of the permit recipient's construction contractors and subcontractors on the project: (1) pay no less than the prevailing wage rate, as defined in section 177.42; and (2) be subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.~~

**Subd. 11. Department of Commerce to provide technical expertise and other assistance.** (a) The commissioner of the Department of Commerce shall consult with other state agencies and provide technical expertise and other assistance to the commission or to individual members of the commission for activities and proceedings under this chapter and ~~chapters 216F and~~ chapter 216G. This assistance shall include the sharing of power plant siting and routing staff and other resources as necessary. The commissioner shall periodically report to the commission concerning the Department of Commerce's costs of providing assistance. The report shall conform to the schedule and include the required contents specified by the commission. The commission shall include the costs of the assistance in assessments for activities and proceedings under those sections and reimburse the special

revenue fund for those costs. If either the commissioner or the commission deems it necessary, the department and the commission shall enter into an interagency agreement establishing terms and conditions for the provision of assistance and sharing of resources under this subdivision.

(b) Notwithstanding the requirements of section 216B.33, the commissioner may take any action required or requested by the commission related to the environmental review requirements under chapter 216E ~~or 216F~~ immediately following a hearing and vote by the commission, prior to issuing a written order, finding, authorization, or certificate.

Subd. 12. **Prevailing wage.** The commission must require as a condition of permit issuance, including issuance of a modified permit for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of a site permit to construct a large electric power generating plant, including all of the permit recipient's construction contractors and subcontractors on the project:

(1) pay no less than the prevailing wage rate, as defined in section 177.42; and

(2) is subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 13. **Application.** This section applies to applications for a site or route permit filed under section 216E.035 or 216E.04.

Sec. 10. **[216E.031] APPLICABILITY DETERMINATION.**

Subdivision 1. **Generally.** This section may be used to determine:

(1) whether a proposal is subject to the commission's siting or routing jurisdiction under this chapter; or

(2) which review process is applicable at the time of the initial application.

Subd. 2. **Size determination.** An applicant must follow the provisions of section 216E.021 or 216E.022, as applicable, to determine the size of a solar energy generating system or a wind energy conversion system. In determining the size of an energy storage system, an applicant must combine the alternating current nameplate capacity of any other energy storage system that:

(1) is constructed within the same 12-month period as the energy storage system; and

(2) exhibits characteristics of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing arrangements, and common debt or equity financing.

Subd. 3. **Transmission lines.** For transmission lines, the applicant must describe the applicability issue and provide sufficient facts to support the determination.

Subd. 4. **Forms; assistance; written determination.** (a) The commission must provide forms and assistance to help applicants make a request for an applicability determination.

(b) Upon written request from an applicant, the commission must provide a written determination regarding applicability under this section. To the extent practicable, the commission must provide the written determination within 30 days of the date the request was received or 30 days of the date information that the commission requested from the applicant is received, whichever is later. This written determination constitutes a final decision of the commission.

Sec. 11. **[216E.035] APPLICATIONS; MAJOR REVIEW.**

**Subdivision 1. Environmental review.** (a) The commissioner of commerce shall prepare for the commission an environmental impact statement on each proposed large electric power facility for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents are required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes, excluding any alternate site for a solar energy generating system that was not proposed by an applicant.

(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a large electric power generating plant and is not proposed by a utility, the commissioner must make a finding in the environmental impact statement whether the project is likely to result in a net reduction of carbon dioxide emissions, considering both the utility providing electric service to the proposed cogeneration facility and any reduction in carbon dioxide emissions as a result of increased efficiency from the production of thermal energy on the part of the customer operating or owning the proposed cogeneration facility.

**Subd. 2. Public hearing.** (a) In addition to the public meeting required under section 216E.03, subdivision 5a, the commission shall hold a public hearing on an application for a site or route permit for a large electric power facility. A hearing held for designating a site or route shall be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of chapter 14 only if commission staff determines that a disputed matter exists that may require clarification through expert testimony. Notice of the hearing shall be given by the commission at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, Tribal governments, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

(b) The commission must accept written comments submitted for at least ten days following the hearing regarding project impacts, permit conditions, and alternatives the commission should evaluate when considering the application.

**Subd. 3. Timing.** (a) The commission shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge, if applicable. A final decision on the request for a site permit or route permit shall be made within one year after the commission's determination that an application is complete. The commission may extend the time limit under this paragraph for up to three months for just cause or upon agreement with the applicant.

(b) To ensure that a final decision complies with the requirements of this subdivision, the commission shall establish deadlines for the submission of comments by state agencies on applications and environmental review documents that expedite the siting and route permitting process.

**Subd. 4. Final decision.** (a) No site permit shall be issued by the commission: (1) in violation of the site selection standards and criteria established in this section and in rules adopted by the commission; or (2) if the commission determines that the proposed project is not in the public interest. When the commission designates a site, the commission shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of the commission's decision in the State Register within 30 days of issuance of the site permit.

(b) No route permit shall be issued by the commission: (1) in violation of the route selection standards and criteria established in this section and in rules adopted by the commission; or (2) if the commission determines that the proposed project is not in the public interest. When the commission designates a route, the commission shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction the commission deems necessary, and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of the commission's decision in the State Register within 30 days of issuance of the permit, to the extent practicable.

(c) Immediately following the commission's vote granting an applicant a site or route permit, and prior to issuance of a written commission order embodying that decision, the applicant may submit to commission staff for review preconstruction compliance filings specifying details of the applicant's proposed site operations.

Sec. 12. Minnesota Statutes 2022, section 216E.04, as amended by Laws 2023, chapter 7, section 29, and Laws 2023, chapter 60, article 12, section 55, is amended to read:

**216E.04 ALTERNATIVE APPLICATIONS; STANDARD REVIEW OF APPLICATIONS.**

Subdivision 1. **Alternative Standard review.** An applicant who seeks a site permit or route permit for one of the projects identified in this section shall have the option of following the procedures in this section rather than the procedures in section ~~216E.03~~ 216E.035. The applicant shall notify the commission at the time the application is submitted which procedure the applicant chooses to follow.

Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects, as presented in the application submitted to the commission:

- (1) large electric power generating plants with a capacity of less than 80 megawatts that are not fueled by natural gas;
- ~~(2) large electric power generating plants that are fueled by natural gas;~~
- ~~(3) (2) high-voltage transmission lines of between 100 and 200 kilovolts~~ below 345 kilovolts and less than 30 miles of length in Minnesota;
- ~~(3) high-voltage transmission lines of between 100 and 300 kilovolts of any length;~~
- ~~(4) high-voltage transmission lines in excess of 200 kilovolts and less than 30 miles in length in Minnesota;~~
- ~~(5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;~~
- ~~(6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;~~
- ~~(7) (4) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line;~~
- ~~(8) (5) large electric power generating plants that are powered by solar energy; and~~
- ~~(6) a wind energy conversion system of five megawatts or greater alternating current capacity; and~~
- ~~(9) (7) energy storage systems.~~

Subd. 3. **Application.** The applicant for a site or route permit for any of the projects listed in subdivision 2 who chooses to follow these procedures shall submit information as the commission may require, but the applicant shall not be required to propose a second site or route for the project. The applicant shall identify in the application any other sites or routes that were rejected by the applicant and the commission may identify additional sites or routes to consider during the processing of the application. The commission shall determine whether an application is complete and advise the applicant of any deficiencies.

Subd. 4. **Notice of application.** Upon submission of an application under this section, the applicant shall provide the same notice as required by under section 216E.03, subdivision 4.

Subd. 5. **Environmental review.** ~~For the projects identified in subdivision 2 and following these procedures, the commissioner of the Department of Commerce~~ The applicant shall prepare for the commission an environmental assessment for projects identified in subdivision 2 that follows the procedures in section 216E.041. The environmental assessment shall contain information on the human and environmental impacts of the proposed project and other sites or routes identified by the commission and shall address mitigating measures for all of the sites or routes considered. The environmental assessment shall be the only state environmental review document required to be prepared on the project.

Subd. 6. **Public hearing.** (a) In addition to the public meeting required under section 216E.03, subdivision 5a, the commission shall hold a public hearing in the area where the facility is proposed to be located. The commission shall give notice of the public hearing in the same manner as notice under section ~~216E.03, subdivision 6~~ 216E.035, subdivision 2. The commission shall conduct the public hearing under procedures established by the commission. The applicant shall be present at the hearing to present evidence and to answer questions. The commission shall provide opportunity at the public hearing for any person to present comments and to ask questions of the applicant and commission staff. The commission shall also afford interested persons an opportunity to submit written comments into the record.

(b) The commission must accept written comments submitted for at least ten days following the hearing regarding project impact, permit conditions, and alternatives the commission should evaluate when considering the application.

Subd. 7. **Timing.** (a) The commission shall make a final decision on an application within 60 days after completion of the public hearing. A final decision on the request for a site permit or route permit under this section shall be made within six months after the commission's determination that an application is complete. The commission may extend this time limit for up to three months for just cause or upon agreement of the applicant.

(b) To ensure that a final decision complies with the requirements of this subdivision, the commission shall establish deadlines for the submission of comments by state agencies on applications and environmental review documents that expedite the siting and route permitting process.

Subd. 8. **Considerations.** ~~The considerations in section 216E.03, subdivision 7, shall apply to any projects subject to this section.~~

Subd. 9. **Final decision.** (a) No site permit shall be issued by the commission: (1) in violation of the site selection standards and criteria established in this section and in rules adopted by the commission; or (2) if the commission determines that the proposed project is not in the public interest. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route designation shall be made shall be issued: (1) in violation of the route selection standards and criteria established in this section and in rules adopted by the commission; or (2) if the commission determines that the proposed project is not in the public interest. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

(c) Immediately following the commission's vote granting an applicant a site or route permit, and prior to issuance of a written commission order embodying the decision, the applicant may submit to commission staff for review preconstruction compliance filings specifying details of the applicant's proposed site operations.

Sec. 13. **[216E.041] ENVIRONMENTAL ASSESSMENT PREPARATION.**

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

(b) "Commissioner" means the commissioner of commerce.

(c) "General list" means a list maintained by the commission of persons who request to be notified of the acceptance of applications for site permits or route permits.

(d) "Project contact list" means a list maintained by the commission of persons who request to receive notices regarding a specific project for which a site permit or route permit is sought.

Subd. 2. **Environmental assessment; content.** The applicant shall prepare and submit with the permit application an environmental assessment on each proposed project being reviewed under section 216E.04. The environmental assessment must contain, at a minimum:

(1) a general description of the proposed facility;

(2) a list of any alternative sites or routes that were considered and rejected by the applicant;

(3) a discussion of the potential impacts of the proposed project and each alternative site or route on the human and natural environment;

(4) a discussion of mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative site or route analyzed;

(5) an analysis of the feasibility of each alternative site or route considered; and

(6) a list of permits required for the project.

Subd. 3. **Environmental assessment; notification of availability.** Upon receipt of the environmental assessment from the applicant, the commissioner shall publish notice in the EQB Monitor of the availability of the environmental assessment and mail notice of the availability of the document to those persons on the general list or the project contact list. The commissioner shall provide a copy of the environmental assessment to any public agency with authority to permit or approve the proposed project. The commissioner shall post the environmental assessment on the agency's web page.

Subd. 4. **Environmental assessment; comments; addendum.** (a) The commissioner shall provide the public with an opportunity to comment on the environmental assessment by holding a public meeting and by soliciting public comments. The commissioner shall mail notice of the meeting to those persons on either the general list or the project contact list at least ten days before the meeting. The commissioner shall provide at least seven days from the date of the public meeting for the public to submit comments on the environmental assessment.

(b) Any person or any member agency of the Environmental Quality Board may, at the public meeting or in written comments submitted to the commissioner, request that the Department of Commerce analyze any of the following issues in an addendum to the environmental assessment:

(1) one or more alternative sites or routes;

(2) additional mitigation measures for environmental impacts identified in the environmental assessment; or

(3) specific human or environmental impacts that were not addressed or not addressed adequately in the environmental assessment.

(c) A person requesting additional environmental analysis in an addendum under paragraph (b) must submit to the commissioner (1) an explanation of why the request should be accepted, and (2) all supporting information the person wants the commissioner to consider. The commissioner shall provide the applicant with an opportunity to respond to each request. The commissioner shall prepare an addendum in response to a request, or at the commissioner's own discretion, only if the commissioner determines that the additional analysis assists the commission's ultimate decision on the permit application, including the establishment of permit conditions.

(d) In making the commission's final decision, the commission must consider the environmental assessment, the addendum to the environmental assessment, if any, comments received at or after the public meeting, and the entirety of the record on environmental and human health impacts.

(e) The commissioner shall follow the notification procedures established for an environmental assessment in subdivision 3 with respect to an addendum prepared under subdivision 4.

Subd. 5. **Matters excluded.** If the commission has issued a certificate of need to an applicant for a large electric power generating plant or high-voltage transmission line or placed a high-voltage transmission line on the certified project list maintained by the commission under section 216B.2425, subdivision 3, the environmental assessment of the project shall not address (1) questions of need, including size, type, and timing; (2) questions of alternative system configurations; or (3) questions of voltage.

Subd. 6. **No additional environmental review.** An environmental assessment and addendum, if prepared, must be the only state environmental review documents required to be prepared by the commissioner on a project qualifying for review under section 216E.04. An environmental assessment worksheet or environmental impact statement is not required. Environmental review at the certificate of need stage before the commission must be performed in accordance with Minnesota Rules, parts 7849.1000 to 7849.2100.

Subd. 7. **Cost.** The commissioner shall assess the department's cost to prepare an addendum to an environmental assessment to the applicant.

#### Sec. 14. **[216E.042] PERMIT AMENDMENTS.**

Subdivision 1. **Applicability.** (a) This section applies to a request by the owner of a large electric power facility to modify any provision or condition of a site or route permit issued by the commission, including permit amendments to:

(1) upgrade or rebuild an existing electric line and associated facilities to a voltage capable of operating between 100 kilovolts and 300 kilovolts; or

(2) repower or refurbish a large electric power generating plant, a large wind energy conversion system, a solar energy generating system, or an energy storage system that increases the efficiency of the facility. For a large electric power generating plant, an increase in efficiency means a reduction in the amount of British thermal units required to generate a kilowatt hour of electricity at the facility.

(b) A permit amendment must not be approved under this section if the permit amendment:

(1) results in significant changes in the environmental or human health impacts of the facility;

(2) increases the developed area within the permitted site; or

(3) increases the facility's nameplate capacity above the nameplate capacity in the facility's most recent interconnection agreement.

Subd. 2. **Application.** A person seeking a permit amendment under this section must submit an application in writing to the commissioner on a form prescribed by the commissioner. The application must describe:

(1) the permit modification sought;

(2) how the request meets the applicability criteria under subdivision 1; and

(3) any changes in environmental or health impacts that would result from implementation of the amendment that were not addressed in the environmental document accompanying the initial permit application.

Subd. 3. **Notice.** The commission must provide notice that the application was received to persons on the general list and, if applicable, to persons on the project contact list.

Subd. 4. **Public comment.** The commission must accept written comments on the application and requests to bring the amendment to the commission for consideration for at least ten days following service of notice. The applicant must respond to comments within seven days of the close of the comment period.

Subd. 5. **Timing.** Within 20 days of the date the public comment period closes, the commission's designee must decide whether to authorize the permit amendment, bring the matter to the commission for consideration, or determine that the application requires a permitting decision under another section in this chapter.

Subd. 6. **Decision.** The commission may approve an amendment that places reasonable conditions on the permittee. The commission must notify the applicant in writing of the commission's decision and send a copy of the decision to any person who requested notification or filed comments on the application.

Subd. 7. **Local review.** An owner or operator of a large electric power generating plant or high-voltage transmission line that was not issued a permit by the commission may seek approval to modify a project listed under subdivision 1, clause (1) or (2), from the local unit of government if the facility qualifies for standard review under section 216E.04 or local review under section 216E.05.

#### Sec. 15. **[216E.051] EXEMPT PROJECTS.**

Subdivision 1. **Permit not required.** A permit issued by the commission is not required to construct:

(1) a small wind energy conversion system;

(2) a power plant or solar generating system with a capacity of less than 50 megawatts;

(3) an energy storage system with a capacity of less than ten megawatts;

(4) a transmission line that (i) has a capacity of 100 kilovolts or more, and (ii) is less than 1,500 feet in length; or

(5) a transmission line that has a capacity of less than 100 kilovolts.

Subd. 2. **Other approval.** A person that proposes a facility listed in subdivision 1 must (1) obtain any approval required by local, state, or federal units of government with jurisdiction over the project, and (2) comply with the environmental review requirements under chapter 116D and Minnesota Rules, chapter 4410.

Sec. 16. **[216E.055] COST AND ECONOMIC IMPACT REVIEW.**

Subdivision 1. **Applicability.** If a project proposed by a public utility applying for a site or route permit under this chapter was not required to obtain a certificate of need under section 216B.243, the commission must review the proposed cost of the project and the project's estimated economic impact on Minnesota ratepayers. The commission may reject a site or route permit application based solely on project costs that the commission determines are not reasonable and prudent.

Subd. 2. **Review content.** In determining a proposed facility's cost and economic impact, the commission must analyze and consider the following:

(1) the construction cost of the proposed facility and the cost of the energy the proposed facility generates, compared to the costs of reasonable alternatives;

(2) the economic impact of the proposed facility, or a suitable modification of the proposed facility, compared to:

(i) the impact of reasonable alternatives; and

(ii) not building the facility; and

(3) the cost and economic impact of the proposed facility compared with similar facilities located elsewhere.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any site or route permit filed by the commission on or after that date.

Sec. 17. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 3, is amended to read:

**Subd. 3. State agency participation.** (a) State agencies authorized to issue permits required for construction or operation of large electric power facilities shall participate during routing and siting at public hearings and all other activities of the commission on specific site or route designations and design considerations of the commission, and shall clearly state whether the site or route being considered for designation or permit and other design matters under consideration for approval will be in compliance with state agency standards, rules, or policies.

(b) An applicant for a permit under this section or under chapter 216G shall notify the commissioner of agriculture if the proposed project will impact cultivated agricultural land, as that term is defined in section 216G.01, subdivision 4. The commissioner may participate and advise the commission as to whether to grant a permit for the project and the best options for mitigating adverse impacts to agricultural lands if the permit is granted. The Department of Agriculture shall be the lead agency on the development of any agricultural mitigation plan required for the project.

(c) The State Historic Preservation Office must comply with the requirements of this section. The commission's consideration of the State Historic Preservation Office's comments satisfies the requirements of section 138.665, when applicable.

Sec. 18. Minnesota Statutes 2022, section 216F.02, is amended to read:

**216F.02 EXEMPTIONS.**

~~(a) The requirements of chapter 216E do not apply to the siting of LWECS, except for sections 216E.01; 216E.03, subdivision 7; 216E.08; 216E.11; 216E.12; 216E.14; 216E.15; 216E.17; and 216E.18, subdivision 3, which do apply.~~

~~(b) (a) Any person may construct an SWECS without complying with chapter 216E or this chapter.~~

~~(c) (b) Nothing in this chapter shall preclude a local governmental unit from establishing requirements for the siting and construction of SWECS.~~

Sec. 19. **GRID ENHANCING TECHNOLOGIES REPORT; PUBLIC UTILITIES COMMISSION ORDER.**

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

(b) "Capacity" means the maximum amount of electricity that can flow through a transmission line while observing industry safety standards.

(c) "Congestion" means a condition in which a lack of transmission line capacity prevents the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

(d) "Dynamic line rating" means hardware or software used to calculate the thermal limit of existing transmission lines at a specific point in time by incorporating information on real-time and forecasted weather conditions.

(e) "Grid enhancing technology" means hardware or software that reduces congestion or enhances the flexibility of the transmission system by increasing the capacity of a high-voltage transmission line or rerouting electricity from overloaded to uncongested lines, while maintaining industry safety standards. Grid enhancing technologies include but are not limited to dynamic line rating, advanced power flow controllers, and topology optimization.

(f) "Line rating methodology" means a methodology used to calculate the maximum amount of electricity that can be carried by a transmission line without exceeding thermal limits designed to ensure safety.

(g) "Power flow controller" means hardware and software used to reroute electricity from overloaded transmission lines to underutilized transmission lines.

(h) "Thermal limit" means the temperature a transmission line reaches when heat from the electric current flow within the transmission line causes excessive sagging of the transmission line.

(i) "Topology optimization" means a software technology that uses mathematical models to identify reconfigurations in the transmission grid in order to reroute electricity from overloaded transmission lines to underutilized transmission lines.

(j) "Transmission line" has the meaning given to "high-voltage transmission line" in section 216E.01, subdivision 4.

(k) "Transmission system" means a network of high-voltage transmission lines owned or operated by an entity subject to this section that transports electricity to Minnesota customers.

**Subd. 2. Report; content.** An entity that owns more than 750 miles of transmission lines in Minnesota, as reported in the state transmission report submitted to the Public Utilities Commission under Minnesota Statutes, section 216B.2425, by November 1, 2025, must include in that report information that:

(1) identifies, during each of the last three years, locations that experienced 168 hours or more of congestion, or the ten locations at which the most costly congestion occurred, whichever measure produces the greater number of locations;

(2) estimates the frequency of congestion at each location and the increased cost to ratepayers resulting from the substitution of higher-priced electricity;

(3) identifies locations on each transmission system that are likely to experience high levels of congestion during the next five years;

(4) evaluates the technical feasibility and estimates the cost of installing one or more grid enhancing technologies to address each instance of grid congestion identified in clause (1), and projects the grid enhancing technology's efficacy in reducing congestion;

(5) analyzes the cost-effectiveness of installing grid enhancing technologies to address each instance of congestion identified in clause (1) by using the information developed in clause (2) to calculate the payback period of each installation, using a methodology developed by the commission;

(6) proposes an implementation plan, including a schedule and cost estimate, to install grid enhancing technologies at each congestion point identified in clause (1) at which the payback period is less than or equal to a value determined by the commission, in order to maximize transmission system capacity; and

(7) explains the transmission owner's current line rating methodology.

**Subd. 3. Commission review; order.** (a) The commission shall review the implementation plans proposed by each reporting entity as required in subdivision 2, clause (6), and must:

(1) review, and may approve, reject, or modify, the plan; and

(2) issue an order requiring implementation of an approved plan.

(b) Within 90 days of the commission's issuance of an order under this subdivision each public utility shall file with the commission a plan containing a workplan, cost estimate, and schedule for implementing the elements of the plan approved by the commission that are located within the public utility's electric service area. For each entity required to report under this section that is not a public utility, the commission's order is advisory.

**Subd. 4. Cost recovery.** Notwithstanding any other provision of this chapter, the commission may approve cost recovery under Minnesota Statutes, section 216B.16, including an appropriate rate of return, of any prudent and reasonable investments made or expenses incurred by a public utility to administer and implement a grid enhancing technologies plan approved by the commission under this section.

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

Sec. 20. **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.

<u>Column A</u>	<u>Column B</u>
<u>216F.01, subdivision 2</u>	<u>216E.01, subdivision 6a</u>
<u>216F.01, subdivision 3</u>	<u>216E.01, subdivision 9b</u>
<u>216F.01, subdivision 4</u>	<u>216E.01, subdivision 11</u>
<u>216F.011</u>	<u>216E.022</u>
<u>216F.02</u>	<u>216E.023</u>
<u>216F.06</u>	<u>216E.055</u>
<u>216F.07</u>	<u>216E.10, subdivision 1a</u>
<u>216F.08</u>	<u>216E.05, subdivision 4</u>
<u>216F.081</u>	<u>216E.05, subdivision 5</u>
<u>216F.084</u>	<u>216E.125</u>

Sec. 21. **REPEALER.**

(a) Minnesota Statutes 2022, sections 216E.08, subdivisions 1 and 4; 216F.01, subdivision 1; 216F.012; 216F.015; and 216F.03, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 216F.04, is repealed.

(c) Minnesota Rules, parts 7850.2400; and 7850.3600, are repealed.

**EFFECTIVE DATE.** This section is effective September 1, 2024, and applies to site and route applications filed with the commission on or after that date.

ARTICLE 13  
SOLAR ENERGY

Section 1. Minnesota Statutes 2022, section 216B.16, subdivision 7b, is amended to read:

Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

(1) new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 or new transmission or distribution facilities that are certified as a priority project or deemed to be a priority transmission project under section 216B.2425;

(2) new transmission facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed, to the extent approval is required by the laws of that state, and determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system; and

(3) charges incurred by a utility under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425 or exempt from the requirements of section 216B.243;

(2) allows the utility to recover charges incurred under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset;

(3) allows the utility to recover on a timely basis the costs net of revenues of facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed and determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system;

(4) allows the utility to recover costs associated with distribution planning required under section 216B.2425;

(5) allows the utility to recover costs associated with investments in distribution facilities to modernize the utility's grid that have been certified by the commission under section 216B.2425;

(6) allows the utility to recover on a timely basis the costs of upgrades to distribution facilities that are not allocated to participating owners of distributed generation facilities under the cost-sharing interconnection process established by the commission order required under section 3 of this article;

(7) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

~~(7)~~ (8) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

~~(8)~~ (9) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

~~(9)~~ (10) allocates project costs appropriately between wholesale and retail customers;

~~(10)~~ (11) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

~~(11)~~ (12) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

(1) a description of and context for the facilities included for recovery;

(2) a schedule for implementation of applicable projects;

(3) the utility's costs for these projects;

(4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and

(5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 2. **[216C.48] STANDARDIZED SOLAR PLAN REVIEW SOFTWARE; TECHNICAL ASSISTANCE; FINANCIAL INCENTIVE.**

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

(b) "Energy storage system" has the meaning given in section 216B.2422, subdivision 1.

(c) "Permitting authority" means a unit of local government in Minnesota that has authority to review and issue permits to install residential solar projects and solar plus energy storage system projects within the unit of local government's jurisdiction.

(d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

(e) "Residential solar project" means the installation of a photovoltaic device at a residence located in Minnesota.

(f) "SolarAPP+" means the most recent version of the Solar Automated Permit Processing Plus software, developed by the National Renewable Energy Laboratory and available free to permitting authorities from the United States Department of Energy, that uses a web-based portal to automate the solar project plan review and permit issuance processes for residential solar projects that are compliant with applicable building and electrical codes.

(g) "Solar plus energy storage system project" means a residential solar project installed in conjunction with an energy storage system at the same residence.

Subd. 2. **Program establishment.** A program is established in the department to provide technical assistance and financial incentives to local units of government that issue permits for residential solar projects and solar plus energy storage system projects in order to incentivize a permitting authority to adopt the SolarAPP+ software to standardize, automate, and streamline the review and permitting process.

Subd. 3. **Eligibility.** An incentive may be awarded under this section to a permitting authority that has deployed SolarAPP+ and made SolarAPP+ available on the permitting authority's website.

Subd. 4. **Application.** (a) A permitting authority must submit an application for a financial incentive under this section to the commissioner on a form developed by the commissioner.

(b) An application may be submitted for a financial incentive under this section after SolarAPP+ has become operational in the permitting authority's jurisdiction.

Subd. 5. **Review and grant award process.** The commissioner must develop administrative procedures to govern the application review and incentive award process under this section.

Subd. 6. **Incentive awards.** Beginning no later than March 1, 2025, the commissioner may award a financial incentive to a permitting authority under this section only if the commissioner has determined that the permitting authority meets verification requirements established by the commissioner that ensure a permitting authority has made SolarAPP+ operational within the permitting authority's jurisdiction and that SolarAPP+ is available on the permitting authority's website.

Subd. 7. **Incentive amount.** (a) An incentive awarded under this section must be no less than \$5,000 and no greater than \$20,000.

(b) The commissioner may vary the amount of an incentive awarded under this section by considering the following factors:

(1) the population of the permitting authority;

(2) the number of permits for solar projects issued by the permitting authority using conventional review processes;

(3) whether the SolarAPP+ software has been adopted on a stand-alone basis or has been integrated with other permit management software utilized by the permitting authority; and

(4) whether the permitting jurisdiction has participated in other sustainability programs, including but not limited to GreenStep Cities and the United States Department of Energy's SolSmart and Charging Smart programs.

Subd. 8. **Technical assistance.** The department must provide technical assistance to eligible permitting authorities seeking to apply for an incentive under this section.

Subd. 9. **Program promotion.** The department must develop an education and outreach program to make permitting authorities aware of the incentive offered under this section, including by convening workshops, producing educational materials, and using other mechanisms to promote the program, including but not limited to utilizing the efforts of the League of Minnesota Cities, the Association of Minnesota Counties, the Community Energy Resource Teams established under section 216C.385, and similar organizations to reach permitting authorities.

Subd. 10. **Account established.** (a) The SolarAPP+ program account is established in the special revenue account in the state treasury. The commissioner must credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund but remains in the account until June 30, 2028. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner for the purposes of this section and to reimburse the reasonable costs incurred by the department to administer this section.

### Sec. 3. **INTERCONNECTION DOCKET; PUBLIC UTILITIES COMMISSION.**

(a) No later than September 1, 2024, the commission must initiate a proceeding to establish by order generic standards for the sharing of utility costs necessary to upgrade a utility's distribution system by increasing hosting capacity or applying other necessary distribution system upgrades at a congested or constrained location in order to allow for the interconnection of distributed generation facilities at the congested or constrained location and to

advance the achievement of the state's renewable and carbon-free energy goals in Minnesota Statutes, section 216B.1691 and greenhouse gas emissions reduction goals in Minnesota Statutes, section 216H.02. The tariff standards must reflect an interconnection process designed to, at a minimum:

(1) accelerate the expansion of hosting capacity at multiple points on a utility's distribution system by ensuring that the cost of upgrades is shared fairly among owners of distributed generation projects seeking interconnection on a pro rata basis according to the amount of the expanded capacity utilized by each interconnected distributed generation facility;

(2) reduce the capital burden on owners of trigger projects seeking interconnection;

(3) establish a minimum level of upgrade costs an expansion of hosting capacity must reach in order to be eligible to participate in the cost-share process and below which a trigger project must bear the full cost of the upgrade;

(4) establish a distributed generation facility's pro rata cost-share amount as the utility's total cost of the upgrade divided by the incremental capacity resulting from the upgrade, and multiplying the result by the nameplate capacity of the distributed generation facility seeking interconnection;

(5) establish a minimum proportion of the total upgrade cost that a utility must receive from one or more distributed generation facilities before initiating constructing an upgrade;

(6) allow trigger projects and any other distributed generation facilities to pay a utility more than the trigger project's or distributed generation facility's pro rata cost-share amount only if needed to meet the minimum threshold established in clause (6) and to receive refunds for amounts paid beyond the trigger project's or distributed generation facility's pro rata share of expansion costs from distributed generation projects that subsequently interconnect at the applicable location;

(7) prohibit owners of distributed generation facilities from using any unsubscribed capacity at an interconnection that has undergone an upgrade without the distributed generation owners paying the distributed generation owner's pro rata cost of the upgrade; and

(8) establish an annual limit or a formula for determining an annual limit for the total cost of upgrades that are not allocated to owners of participating generation facilities and may be recovered from ratepayers under section 216B.16, subdivision 7b, clause (6).

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

(1) "distributed generation project" means an energy generating system with a capacity no greater than ten megawatts;

(2) "hosting capacity" means the maximum capacity of a utility distribution system to transport electricity at a specific location without compromising the safety or reliability of the distribution system;

(3) "trigger project" means the initial distributed generation project whose application for interconnection of a distributed generation project alerts a utility that an upgrade is needed in order to accommodate the trigger project and any future interconnections at the applicable location;

(4) "upgrade" means a modification of a utility's distribution system at a specific location that is necessary to allow the interconnection of distributed generation projects by increasing hosting capacity at the applicable location, including but not limited to installing or modifying equipment at a substation or along a distribution line. Upgrade does not mean an expansion of hosting capacity dedicated solely to the interconnection of a single distributed generation project; and

(5) "utility" means a public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that provides electric service.

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

Sec. 4. **POSITION ESTABLISHED; PUBLIC UTILITIES COMMISSION.**

**Subdivision 1. Position; duties.** (a) The Public Utilities Commission's Consumer Affairs Office must establish a new full-time equivalent interconnection ombudsperson position to assist applicants seeking to interconnect distributed generation projects to utility distribution systems under the generic statewide standards developed by the commission under section 2. The Public Utilities Commission must (1) appoint a person to the position who possesses mediation skills and technical expertise related to interconnection and interconnection procedures, and (2) authorize the person to request and review all interconnection data from utilities and applicants that are necessary to fulfill the duties of the position described in this subdivision.

(b) The duties of the interconnection ombudsperson include but are not limited to:

(1) tracking interconnection disputes between applicants and utilities;

(2) facilitating the efficient and fair resolution of disputes between customers seeking to interconnect and utilities;

(3) reviewing utility interconnection policies to assess opportunities to reduce interconnection disputes, while considering the equitable distribution of distributed generation facilities;

(4) convening stakeholder groups as necessary to facilitate effective communication among interconnection stakeholders; and

(5) preparing reports that detail the number, type, resolution timelines, and outcome of interconnection disputes.

(c) A utility must provide information requested under this section that the interconnection ombudsperson determines is necessary to effectively carry out the duties of the position.

**Subd. 2. Definition.** For the purposes of this section, "utility" means a public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that provides electric service.

**Subd. 3. Position; funding.** (a) A utility must assess and collect a surcharge of \$50 on each application interconnection filed by an owner of a distributed generation facility located in Minnesota. A utility must remit the full surcharge to the Public Utilities Commission monthly, in a manner determined by the Public Utilities Commission, for each interconnection application filed with the utility during the previous month.

(b) The interconnection ombudsperson account is established in the special revenue account in the state treasury. The Public Utilities Commission must manage the account. The Public Utilities Commission must deposit in the account all revenues received from utilities from the surcharge on interconnection applications established under this section. Money is appropriated from the account to the Public Utilities Commission for the sole purpose of funding the ombudsperson position established in subdivision 1.

(c) The Public Utilities Commission must review the amount of revenues collected from the surcharge each year and may adjust the level of the surcharge as necessary to ensure (1) sufficient money is available to support the position, and (2) the reserve in the account does not reach more than ten percent of the amount necessary to fully fund the position.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to applications for interconnections filed with a utility on or after that date.

#### ARTICLE 14 MISCELLANEOUS ENERGY POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. The total amount transferred annually under this paragraph must be reduced by \$3,750,000.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable:

(1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers; and

(2) the proposer's commitment to increasing the diversity of the proposer's workforce and vendors.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

~~(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.~~

~~(q)~~ (q) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers. A project receiving funds from the account must submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

(⇆) (r) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(⇆) (s) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(⇆) (t) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

(⇆) (u) Construction projects receiving funds from this account are subject to the requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Sec. 2. Minnesota Statutes 2022, section 216B.16, subdivision 6c, is amended to read:

Subd. 6c. **Incentive plan for energy conservation and efficient fuel-switching improvement.** (a) The commission may order public utilities to develop and submit for commission approval incentive plans that describe the method of recovery and accounting for utility conservation and efficient fuel-switching expenditures and savings. For public utilities that provide electric service, the commission must develop and implement incentive plans designed to promote energy conservation separately from plans designed to promote efficient fuel-switching. In developing the incentive plans the commission shall ensure the effective involvement of interested parties.

(b) In approving incentive plans, the commission shall consider:

(1) whether the plan is likely to increase utility investment in cost-effective energy conservation or efficient fuel switching;

(2) whether the plan is compatible with the interest of utility ratepayers and other interested parties;

(3) whether the plan links the incentive to the utility's performance in achieving cost-effective conservation or efficient fuel switching; ~~and~~

(4) whether the plan is in conflict with other provisions of this chapter;

(5) whether the plan conflicts with other provisions of this chapter; and

(6) the likely financial impacts of the conservation and efficient fuel-switching on the utility.

(c) The commission may set rates to encourage the vigorous and effective implementation of utility conservation and efficient fuel-switching programs. The commission may:

(1) increase or decrease any otherwise allowed rate of return on net investment based upon the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of energy through energy conservation or efficient fuel switching;

(2) share between ratepayers and utilities the net savings resulting from energy conservation and efficient fuel-switching programs to the extent justified by the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of energy; and

(3) adopt any mechanism that satisfies the criteria of this subdivision, such that implementation of cost-effective conservation or efficient fuel switching is a preferred resource choice for the public utility considering the impact of conservation or efficient fuel switching on earnings of the public utility.

(d) Any incentives offered to electric utilities under this subdivision for efficient-fuel switching projects expire December 31, 2032.

Sec. 3. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision to read:

Subd. 3a. **Data mining facility.** "Data mining facility" means all buildings, structures, equipment, and installations at a single site where electricity is used primarily by computers to process transactions involving digital currency that is not issued by a central authority.

Sec. 4. Minnesota Statutes 2022, section 216B.2402, subdivision 4, is amended to read:

Subd. 4. **Efficient fuel-switching improvement.** "Efficient fuel-switching improvement" means a project that:

(1) replaces a fuel used by a customer with electricity or natural gas delivered at retail by a utility subject to section 216B.2403 or 216B.241;

(2) results in a net increase in the use of electricity or natural gas and a net decrease in source energy consumption on a fuel-neutral basis;

(3) otherwise meets the criteria established for consumer-owned utilities in section 216B.2403, subdivision 8, and for public utilities under section 216B.241, subdivisions 11 and 12; and

(4) requires the installation of equipment that utilizes electricity or natural gas, resulting in a reduction or elimination of the previous fuel used.

An efficient fuel-switching improvement is not an energy conservation improvement or energy efficiency even if the efficient fuel-switching improvement results in a net reduction in electricity or natural gas use. ~~An efficient fuel switching improvement does not include, and must not count toward any energy savings goal from, energy conservation improvements when fuel switching would result in an increase of greenhouse gas emissions into the atmosphere on an annual basis.~~

Sec. 5. Minnesota Statutes 2022, section 216B.2402, subdivision 10, is amended to read:

Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. Gross annual retail energy sales does not include:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural gas sales made to the large customer facility; and

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to natural gas sales made to the commercial gas customer facility;

(2) electric sales to:

(i) a large customer facility whose electric utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made to the large customer facility; ~~or~~ and

(ii) a data mining facility, if the facility:

(A) has provided a signed letter to the utility verifying the facility meets the definition of a data mining facility; and

(B) imposes a peak electrical demand on a consumer-owned utility's system equal to or greater than 40 percent of the peak electrical demand of the system, measured in the same manner as the utility that serves the customer facility measures electric demand for billing purposes; or

(3) the amount of electric sales prior to December 31, 2032, that are associated with a utility's program, rate, or tariff for electric vehicle charging based on a methodology and assumptions developed by the department in consultation with interested stakeholders no later than December 31, 2021. After December 31, 2032, incremental sales to electric vehicles must be included in calculating a public utility's gross annual retail sales.

Sec. 6. Minnesota Statutes 2022, section 216B.2403, subdivision 2, is amended to read:

Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual consumer-owned electric utility subject to this section has an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales and each individual consumer-owned natural gas utility subject to this section has an annual energy-savings goal equivalent to one percent of gross annual retail energy sales, to be met with a minimum of energy savings from energy conservation improvements equivalent to at least ~~0.95~~ 0.90 percent of the consumer-owned utility's gross annual retail energy sales. The balance of energy savings toward the annual energy-savings goal may be achieved only by the following consumer-owned utility activities:

(1) energy savings from additional energy conservation improvements;

(2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision 1, that result in increased efficiency greater than would have occurred through normal maintenance activity;

(3) net energy savings from efficient fuel-switching improvements that meet the criteria under subdivision 8, which may contribute up to ~~0.55~~ 0.60 percent of the goal; or

(4) subject to department approval, demand-side natural gas or electric energy displaced by use of waste heat recovered and used as thermal energy, including the recovered thermal energy from a cogeneration or combined heat and power facility.

(b) The energy-savings goals specified in this section must be calculated based on weather-normalized sales averaged over the most recent three years. A consumer-owned utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the next three years, except that energy savings from electric utility infrastructure projects may be carried forward for five years. A particular energy savings can only be used to meet one year's goal.

(c) A consumer-owned utility subject to this section is not required to make energy conservation improvements that are not cost-effective, even if the improvement is necessary to attain the energy-savings goal. A consumer-owned utility subject to this section must make reasonable efforts to implement energy conservation improvements that exceed the minimum level established under this subdivision if cost-effective opportunities and funding are available, considering other potential investments the consumer-owned utility intends to make to benefit customers during the term of the plan filed under subdivision 3.

~~(d) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a consumer-owned utility subject to this section on efficient fuel-switching improvements implemented to meet the annual energy savings goal under this section must not exceed 0.55 percent per year, averaged over a three-year period, of the consumer-owned utility's gross annual retail energy sales.~~

Sec. 7. Minnesota Statutes 2022, section 216B.2403, subdivision 3, is amended to read:

Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a) By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must file with the commissioner an energy conservation and optimization plan that describes the programs for energy conservation, efficient fuel-switching, load management, and other measures the consumer-owned utility intends to offer to achieve the utility's energy savings goal.

(b) A plan's term may extend up to three years. A multiyear plan must identify the total energy savings and energy savings resulting from energy conservation improvements that are projected to be achieved in each year of the plan. A multiyear plan that does not, in each year of the plan, meet both the minimum energy savings goal from energy conservation improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by the commissioner under paragraph (k), must:

(1) state why each goal is projected to be unmet; and

(2) demonstrate how the consumer-owned utility proposes to meet both goals on an average basis over the duration of the plan.

(c) A plan filed under this subdivision must provide:

(1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned utility's programs offered under the plan, using a list of baseline energy- and capacity-savings assumptions developed in consultation with the department; and

(2) for new programs, a preliminary analysis upon which the program will proceed, in parallel with further development of assumptions and standards.

(d) The commissioner must evaluate a plan filed under this subdivision based on the plan's likelihood to achieve the energy-savings goals established in subdivision 2. The commissioner may make recommendations to a consumer-owned utility regarding ways to increase the effectiveness of the consumer-owned utility's energy conservation activities and programs under this subdivision. The commissioner may recommend that a consumer-owned utility implement a cost-effective energy conservation or efficient fuel-switching program, ~~including an energy conservation program~~ suggested by an outside source such as a political subdivision, nonprofit corporation, or community organization.

(e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility must file: (1) an annual update identifying the status of the plan filed under this subdivision, including: (i) total expenditures and investments made to date under the plan; and (ii) any intended changes to the plan; and (2) a summary of the annual energy-savings achievements under a plan. An annual filing made in the last year of a plan must contain a new plan that complies with this section.

(f) When evaluating the cost-effectiveness of a consumer-owned utility's energy conservation programs, the consumer-owned utility and the commissioner must consider the costs and benefits to ratepayers, the utility, participants, and society. The commissioner must also consider the rate at which the consumer-owned utility is increasing energy savings and expenditures on energy conservation, and lifetime energy savings and cumulative energy savings.

(g) A consumer-owned utility may annually spend and invest up to ten percent of the total amount spent and invested on energy conservation, efficient fuel-switching, or load management improvements on research and development projects that meet the applicable definition of energy conservation, efficient fuel-switching, or load management improvement.

(h) A generation and transmission cooperative electric association or municipal power agency that provides energy services to consumer-owned utilities may file a plan under this subdivision on behalf of the consumer-owned utilities to which the association or agency provides energy services and may make investments, offer conservation programs, and otherwise fulfill the energy-savings goals and reporting requirements of this subdivision for those consumer-owned utilities on an aggregate basis.

(i) A consumer-owned utility is prohibited from spending for or investing in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

(j) The energy conservation and optimization plan of a consumer-owned utility may include activities to improve energy efficiency in the public schools served by the utility. These activities may include programs to:

(1) increase the efficiency of the school's lighting and heating and cooling systems;

(2) recommission buildings;

(3) train building operators; and

(4) provide opportunities to educate students, teachers, and staff regarding energy efficiency measures implemented at the school.

(k) A consumer-owned utility may request that the commissioner adjust the consumer-owned utility's minimum goal for energy savings from energy conservation improvements under subdivision 2, paragraph (a), for the duration of the plan filed under this subdivision. The request must be made by January 1 of the year when the consumer-owned utility must file a plan under this subdivision. The request must be based on:

(1) historical energy conservation improvement program achievements;

(2) customer class makeup;

(3) projected load growth;

(4) an energy conservation potential study that estimates the amount of cost-effective energy conservation potential that exists in the consumer-owned utility's service territory;

(5) the cost-effectiveness and quality of the energy conservation programs offered by the consumer-owned utility; and

(6) other factors the commissioner and consumer-owned utility determine warrant an adjustment.

The commissioner must adjust the energy savings goal to a level the commissioner determines is supported by the record, but must not approve a minimum energy savings goal from energy conservation improvements that is less than an average of 0.95 percent per year over the consecutive years of the plan's duration, including the year the minimum energy savings goal is adjusted.

(l) A consumer-owned utility filing a conservation and optimization plan that includes an efficient fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels that the requirements of subdivision 8 are met, using a full fuel cycle energy analysis.~~

Sec. 8. Minnesota Statutes 2022, section 216B.2403, subdivision 5, is amended to read:

Subd. 5. **Energy conservation programs for low-income households.** (a) A consumer-owned utility subject to this section must provide energy conservation programs to low-income households. The commissioner must evaluate a consumer-owned utility's plans under this section by considering the consumer-owned utility's historic spending on energy conservation programs directed to low-income households, the rate of customer participation in and the energy savings resulting from those programs, and the number of low-income persons residing in the consumer-owned utility's service territory. A municipal utility that furnishes natural gas service must spend at least 0.2 percent of the municipal utility's most recent three-year average gross operating revenue from residential customers in Minnesota on energy conservation programs for low-income households. A consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the consumer-owned utility's gross operating revenue from residential customers in Minnesota on energy conservation programs for low-income households. The requirement under this paragraph applies to each generation and transmission cooperative association's aggregate gross operating revenue from the sale of electricity to residential customers in Minnesota by all of the association's member distribution cooperatives.

(b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned utility may contribute money to the energy and conservation account established in section 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount of contributions the consumer-owned utility plans to make to the energy and conservation account. Contributions to the account must be used for energy conservation programs serving low-income households, including renters, located in the service area of the consumer-owned utility making the contribution. Contributions must be remitted to the commissioner by February 1 each year.

(c) The commissioner must establish energy conservation programs for low-income households funded through contributions to the energy and conservation account under paragraph (b). When establishing energy conservation programs for low-income households, the commissioner must consult political subdivisions, utilities, and nonprofit and community organizations, including organizations providing energy and weatherization assistance to low-income households. The commissioner must record and report expenditures and energy savings achieved as a result of energy conservation programs for low-income households funded through the energy and conservation account in the report required under section 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or consumer-owned utility to implement low-income programs funded through the energy and conservation account.

(d) A consumer-owned utility may petition the commissioner to modify the required spending under this subdivision if the consumer-owned utility and the commissioner were unable to expend the amount required for three consecutive years.

(e) The commissioner must develop and establish guidelines for determining the eligibility of multifamily buildings to participate in energy conservation programs provided to low-income households. Notwithstanding the definition of low-income household in section 216B.2402, a consumer-owned utility or association may apply the most recent guidelines published by the department for purposes of determining the eligibility of multifamily

buildings to participate in low-income programs. The commissioner must convene a stakeholder group to review and update these guidelines by August 1, 2021, and at least once every five years thereafter. The stakeholder group must include but is not limited to representatives of public utilities; municipal electric or gas utilities; electric cooperative associations; multifamily housing owners and developers; and low-income advocates.

(f) Up to 15 percent of a consumer-owned utility's spending on low-income energy conservation programs may be spent on preweatherization measures. A consumer-owned utility is prohibited from claiming energy savings from preweatherization measures toward the consumer-owned utility's energy savings goal.

(g) The commissioner must, by order, establish a list of preweatherization measures eligible for inclusion in low-income energy conservation programs no later than March 15, 2022.

(h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate account in the special revenue fund in the state treasury. A consumer-owned utility may elect to contribute money to the Healthy AIR account to provide preweatherization measures for households eligible for weatherization assistance from the state weatherization assistance program in section 216C.264. Remediation activities must be executed in conjunction with federal weatherization assistance program services. Money contributed to the account by a consumer-owned utility counts toward: (1) the minimum low-income spending requirement under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f). Money in the account is annually appropriated to the commissioner of commerce to pay for Healthy AIR-related activities.

(i) This paragraph applies to a consumer-owned utility that supplies electricity to a low-income household whose primary heating fuel is supplied by an entity other than a public utility. Any spending on space and water heating energy conservation improvements and efficient fuel-switching by the consumer-owned utility on behalf of the low-income household may be applied to the consumer owned utility's spending requirement in paragraph (a). To the maximum extent possible, a consumer-owned utility providing services under this paragraph must offer the services in conjunction with weatherization services provided under section 216C.264.

Sec. 9. Minnesota Statutes 2022, section 216B.2403, subdivision 8, is amended to read:

Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching improvement is deemed efficient if, applying the technical criteria established under section 216B.241, subdivision 1d, paragraph (e), the improvement, relative to the fuel being displaced:

(1) results in a net reduction in the amount of source energy consumed for a particular use, measured on a fuel-neutral basis, using (i) the consumer-owned utility's or the utility's electricity supplier's annual system average efficiency, or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the electric utility system over the measure's life;

(2) results in a net reduction of statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching improvement installed by an electric consumer-owned utility, the reduction in emissions must be measured ~~based on the hourly emissions profile of the consumer owned utility or the utility's electricity supplier, as reported in the most recent resource plan approved by the commission under section 216B.2422. If the hourly emissions profile is not available, the commissioner must develop a method consumer owned utilities must use to estimate that value~~ using (i) the consumer-owned utility's or the utility's electricity supplier's annual average emissions factor, or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the electric utility system over the measure's life; and

(3) is cost-effective, considering the costs and benefits from the perspective of the consumer-owned utility, participants, and society; ~~and.~~

~~(4) is installed and operated in a manner that improves the consumer-owned utility's system load factor.~~

(b) For purposes of this subdivision, "source energy" means the total amount of primary energy required to deliver energy services, adjusted for losses in generation, transmission, and distribution, and expressed on a fuel-neutral basis.

Sec. 10. Minnesota Statutes 2022, section 216B.241, subdivision 1c, is amended to read:

Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish energy-saving goals for energy conservation improvements and shall evaluate an energy conservation improvement program on how well it meets the goals set.

(b) A public utility providing electric service has an annual energy-savings goal equivalent to 1.75 percent of gross annual retail energy sales unless modified by the commissioner under paragraph (c). A public utility providing natural gas service has an annual energy-savings goal equivalent to one percent of gross annual retail energy sales, which cannot be lowered by the commissioner. The savings goals must be calculated based on the most recent three-year weather-normalized average. A public utility providing electric service may elect to carry forward energy savings in excess of 1.75 percent for a year to the succeeding three calendar years, except that savings from electric utility infrastructure projects allowed under paragraph (d) may be carried forward for five years. A public utility providing natural gas service may elect to carry forward energy savings in excess of one percent for a year to the succeeding three calendar years. A particular energy savings can only be used to meet one year's goal.

(c) In its energy conservation and optimization plan filing, a public utility may request the commissioner to adjust its annual energy-savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the commissioner determines warrants an adjustment.

(d) The commissioner may not approve a plan of a public utility that provides for an annual energy-savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements.

The balance of the 1.75 percent annual energy savings goal may be achieved through energy savings from:

- (1) additional energy conservation improvements;
- (2) electric utility infrastructure projects approved by the commission under section 216B.1636 that result in increased efficiency greater than would have occurred through normal maintenance activity; or
- (3) subject to department approval, demand-side natural gas or electric energy displaced by use of waste heat recovered and used as thermal energy, including the recovered thermal energy from a cogeneration or combined heat and power facility.

(e) A public utility is not required to make energy conservation investments to attain the energy-savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy-savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider: (1) the costs and benefits to ratepayers, the utility, participants, and society; (2) the rate at which a public utility is increasing both its energy savings and its expenditures on energy conservation; and (3) the public utility's lifetime energy savings and cumulative energy savings.

(f) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy and capacity savings and estimated carbon dioxide reductions achieved by the programs under this section and section 216B.2403 for the two most recent years for which data is available. The report must also include information regarding any annual energy sales or generation capacity increases resulting from efficient fuel-switching improvements. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner, and must estimate progress made toward the statewide energy-savings goal under section 216B.2401.

~~(g) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a public utility subject to this section on efficient fuel-switching improvements to meet energy savings goals under this section must not exceed 0.35 percent per year, averaged over three years, of the public utility's gross annual retail energy sales.~~

Sec. 11. Minnesota Statutes 2022, section 216B.241, subdivision 2, is amended to read:

Subd. 2. **Public utility; energy conservation and optimization plans.** (a) The commissioner may require a public utility to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers.

(b) A public utility shall file an energy conservation and optimization plan by June 1, on a schedule determined by order of the commissioner, but at least every three years. As provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching improvements and load management. An individual utility program may combine elements of energy conservation, load management, or efficient fuel-switching. The plan must estimate the lifetime energy savings and cumulative lifetime energy savings projected to be achieved under the plan. A plan filed by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year.

(c) The commissioner shall evaluate the plan on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in an energy conservation program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(d) The commissioner may require a utility subject to subdivision 1c to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy.

(e) Each public utility subject to this subdivision may spend and invest annually up to ten percent of the total amount ~~spent and invested~~ that the public utility spends and invests on energy conservation, efficient fuel-switching, or load management improvements under this section ~~by the public utility~~ on research and development projects that meet the applicable definition of energy conservation, efficient fuel-switching, or load management improvement.

(f) The commissioner shall consider and may require a public utility to undertake an energy conservation ~~program~~ or efficient fuel-switching program, subject to the requirements of subdivisions 11 and 12, that is suggested by an outside source, including a political subdivision, a nonprofit corporation, or community organization. In approving a proposal under this paragraph, the commissioner must consider the qualifications and experience of the entity proposing the program and any other criteria the commissioner deems relevant.

(g) A public utility, a political subdivision, or a nonprofit or community organization that has suggested an energy conservation program, the attorney general acting on behalf of consumers and small business interests, or a public utility customer that has suggested an energy conservation program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the energy conservation program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that an energy conservation program is not in the public interest.

(h) The commissioner may order a public utility to include, with the filing of the public utility's annual status report, the results of an independent audit of the public utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the public utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the public utility that is the result of the public utility's spending and investments. The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

(i) The energy conservation and optimization plan of each public utility subject to this section must include activities to improve energy efficiency in public schools served by the utility. As applicable to each public utility, at a minimum the activities must include programs to increase the efficiency of the school's lighting and heating and cooling systems, and to provide for building recommissioning, building operator training, and opportunities to educate students, teachers, and staff regarding energy efficiency measures implemented at the school.

(j) The commissioner may require investments or spending greater than the amounts proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose most recent advanced forecast required under section 216B.2422 projects a peak demand deficit of 100 megawatts or more within five years under midrange forecast assumptions.

(k) A public utility filing a conservation and optimization plan that includes an efficient fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels~~ that the requirements of subdivisions 11 or 12 are met, as applicable, ~~using a full fuel-cycle energy analysis.~~

Sec. 12. Minnesota Statutes 2022, section 216B.241, subdivision 11, is amended to read:

Subd. 11. **Programs for efficient fuel-switching improvements; electric utilities.** (a) A public utility providing electric service at retail may include in the plan required under subdivision 2 a proposed goal for efficient fuel-switching improvements that the utility expects to achieve under the plan and the programs to implement efficient fuel-switching improvements or combinations of energy conservation improvements, fuel-switching improvements, and load management. For each program, the public utility must provide a proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy and demand savings.

(b) The department may approve proposed programs for efficient fuel-switching improvements if the department determines the improvements meet the requirements of paragraph (d). ~~For fuel-switching improvements that require the deployment of electric technologies, the department must also consider whether the fuel-switching improvement can be operated in a manner that facilitates the integration of variable renewable energy into the electric system. The net benefits from an efficient fuel-switching improvement that is integrated with an energy efficiency program approved under this section may be counted toward the net benefits of the energy efficiency program, if the department determines the primary purpose and effect of the program is energy efficiency.~~

(c) A public utility may file a rate schedule with the commission that provides for annual cost recovery of reasonable and prudent costs to implement and promote efficient fuel-switching programs. The utility, department, or other entity may propose, and the commission may not approve, modify, or reject, a proposal for a financial incentive to encourage efficient fuel-switching programs operated by a public utility providing electric service approved under this subdivision. When making a decision on the financial incentive proposal, the commission must apply the considerations established in section 216B.16, subdivision 6c, paragraphs (b) and (c).

(d) A fuel-switching improvement is deemed efficient if, applying the technical criteria established under section 216B.241, subdivision 1d, paragraph (e), the improvement meets the following criteria, relative to the fuel that is being displaced:

(1) results in a net reduction in the amount of source energy consumed for a particular use, measured on a fuel-neutral basis, using (i) the utility's annual system average efficiency, or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the electric utility system over the measure's life;

(2) results in a net reduction of statewide greenhouse gas emissions as defined in section 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching improvement installed by an electric utility, the reduction in emissions must be measured ~~based on the hourly emission profile of the electric utility, using the hourly emissions profile in the most recent resource plan approved by the commission under section 216B.2422~~ using (i) the utility's annual average emissions factor, or (ii) if the utility elects, a seasonal, monthly or more granular level of analysis, for the electric utility system over the measure's life; and

(3) is cost-effective, considering the costs and benefits from the perspective of the utility, participants, and society; ~~and,~~

~~(4) is installed and operated in a manner that improves the utility's system load factor.~~

(e) For purposes of this subdivision, "source energy" means the total amount of primary energy required to deliver energy services, adjusted for losses in generation, transmission, and distribution, and expressed on a fuel-neutral basis.

Sec. 13. Minnesota Statutes 2022, section 216B.241, subdivision 12, is amended to read:

**Subd. 12. Programs for efficient fuel-switching improvements; natural gas utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that provides natural gas service to Minnesota retail customers may propose one or more programs to install electric technologies that reduce the consumption of natural gas by the utility's retail customers as an energy conservation improvement. The commissioner may approve a proposed program if the commissioner, applying the technical criteria developed under section 216B.241, subdivision 1d, paragraph (e), determines that:

(1) the electric technology to be installed meets the criteria established under section 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

(2) the program is cost-effective, considering the costs and benefits to ratepayers, the utility, participants, and society.

(b) If a program is approved by the commission under this subdivision, the public utility may count the program's energy savings toward its energy savings goal under section 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient fuel-switching achieved through programs approved under this subdivision is energy conservation.

(c) A public utility may file rate schedules with the commission that provide annual cost-recovery for programs approved by the department under this subdivision, including reasonable and prudent costs to implement and promote the programs.

(d) The commission may approve, modify, or reject a proposal made by the department or a utility for an incentive plan to encourage efficient fuel-switching programs approved under this subdivision, applying the considerations established under section 216B.16, subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive mechanism that is calculated based on the combined energy savings and net benefits that the commission has determined have been achieved by a program approved under this subdivision, provided the commission determines that the financial incentive mechanism is in the ratepayers' interest.

~~(e) A public utility is not eligible for a financial incentive for an efficient fuel switching program under this subdivision in any year in which the utility achieves energy savings below one percent of gross annual retail energy sales, excluding savings achieved through fuel switching programs.~~

Sec. 14. Minnesota Statutes 2023 Supplement, section 216C.08, is amended to read:

#### **216C.08 JURISDICTION.**

~~(a) The commissioner has sole authority and responsibility for the administration of sections 216C.05 to 216C.30 and 216C.375 to administer this chapter. Other laws notwithstanding, the authority granted to the commissioner shall supersede under this section supersedes the authority given any other agency whenever overlapping, duplication, or additional administrative or legal procedures might occur in the administration of sections 216C.05 to 216C.30 and 216C.375 administering this chapter. The commissioner shall consult with other state departments or agencies in matters related to energy and shall contract with them the other state departments or agencies to provide appropriate services to effectuate the purposes of sections 216C.05 to 216C.30 and 216C.375 this chapter. Any other department, agency, or official of this state or political subdivision thereof which would in any way affect the administration or enforcement of sections 216C.05 to 216C.30 and 216C.375 this chapter shall cooperate and coordinate all activities with the commissioner to assure orderly and efficient administration and enforcement of sections 216C.05 to 216C.30 and 216C.375 this chapter.~~

(b) The commissioner shall designate a liaison officer whose duty shall be to insure the maximum possible consistency in procedures and to eliminate duplication between the commissioner and the other agencies that may be involved in energy.

Sec. 15. Minnesota Statutes 2023 Supplement, section 216C.09, is amended to read:

#### **216C.09 COMMISSIONER DUTIES.**

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy ~~conservation~~ measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 16. Minnesota Statutes 2022, section 216C.10, is amended to read:

**216C.10 COMMISSIONER POWERS.**

(a) The commissioner may:

(1) adopt rules under chapter 14 as necessary to carry out the purposes of ~~sections 216C.05 to 216C.30~~ this chapter;

(2) make all contracts under ~~sections 216C.05 to 216C.30~~ this chapter and do all things necessary to cooperate with the United States government, and to qualify for, accept, and disburse any grant intended ~~for the administration of sections 216C.05 to 216C.30~~ to administer this chapter;

(3) provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems;

(4) administer for the state, energy programs under federal law, regulations, or guidelines, and coordinate the programs and activities with other state agencies, units of local government, and educational institutions;

(5) develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;

(6) perform market analysis studies relating to conservation, alternative and renewable energy resources, and energy recovery;

(7) assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects;

(8) manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner;

(9) intervene in certificate of need proceedings before the Public Utilities Commission;

(10) collect fees from recipients of loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations, which fees must be used to pay the department's costs in administering those financial aids; and

(11) collect fees from proposers and operators of conservation and other energy-related programs that are reviewed, evaluated, or approved by the department, other than proposers that are political subdivisions or community or nonprofit organizations, to cover the department's cost in making the reviewal, evaluation, or approval and in developing additional programs for others to operate.

(b) Notwithstanding any other law, the commissioner is designated the state agent to apply for, receive, and accept federal or other funds made available to the state for the purposes of ~~sections 216C.05 to 216C.30~~ this chapter.

Sec. 17. Minnesota Statutes 2023 Supplement, section 216C.331, subdivision 1, is amended to read:

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

(b) "Aggregated customer energy use data" means customer energy use data that is combined into one collective data point per time interval. Aggregated customer energy use data is data with any unique identifiers or other personal information removed that a qualifying utility collects and aggregates in at least monthly intervals for an entire building on a covered property.

(c) "Benchmark" means to electronically input into a benchmarking tool ~~the total~~ whole building energy use data and other descriptive information about a building that is required by a benchmarking tool.

(d) "Benchmarking information" means data related to a building's energy use generated by a benchmarking tool, and other information about the building's physical and operational characteristics. Benchmarking information includes but is not limited to the building's:

- (1) address;
- (2) owner and, if applicable, the building manager responsible for operating the building's physical systems;
- (3) total floor area, expressed in square feet;
- (4) energy use intensity;
- (5) greenhouse gas emissions; and
- (6) energy performance score comparing the building's energy use with that of similar buildings.

(e) "Benchmarking tool" means the United States Environmental Protection Agency's Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

(f) "Covered property" means any property that is served by an investor-owned utility in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a population of over 50,000 residents, as determined by the Minnesota State Demographic Center, served by a municipal energy utility or investor-owned utility, and that has one or more buildings containing in sum 50,000 gross square feet or greater. Covered property does not include:

- (1) a residential property containing fewer than five dwelling units;
- (2) a property that is: (i) classified as manufacturing under the North American Industrial Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) an industrial building otherwise incompatible with benchmarking in the benchmarking tool, as determined by the commissioner;
- (3) an agricultural building;
- (4) a multitenant building that is served by a utility that ~~cannot supply~~ is not supplying aggregated customer usage data under subdivision 8 or is not using a customer usage data aggregation program to supply aggregated customer usage data to the benchmarking tool; or
- (5) other property types that do not meet the purposes of this section, as determined by the commissioner.

(g) "Customer energy use data" means data collected from utility customer meters that reflect the quantity, quality, or timing of customers' energy use.

(h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

(i) "Energy performance score" means a numerical value from one to 100 that the Energy Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of comparable buildings nationwide.

(j) "Energy Star Portfolio Manager" means an interactive resource management tool developed by the United States Environmental Protection Agency that (1) enables the periodic entry of a building's energy use data and other descriptive information about a building, and (2) rates a building's energy efficiency against that of comparable buildings nationwide.

(k) "Energy use intensity" means the total annual energy consumed in a building divided by the building's total floor area.

(l) "Financial distress" means a covered property that, at the time benchmarking is conducted:

(1) is the subject of a qualified tax lien sale or public auction due to property tax arrearages;

(2) is controlled by a court-appointed receiver based on financial distress;

(3) is owned by a financial institution through default by the borrower;

(4) has been acquired by deed in lieu of foreclosure; or

(5) has a senior mortgage that is subject to a notice of default.

(m) "Local government" means a statutory or home rule municipality or county.

(n) "Owner" means:

(1) an individual or entity that possesses title to a covered property; or

(2) an agent authorized to act on behalf of the covered property owner.

(o) "Qualifying utility" means ~~a utility serving the covered property, including:~~

(1) an electric or gas utility, including:

(i) an investor-owned electric or gas utility serving customers in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a population of over 50,000 residents, as determined by the Minnesota State Demographic Center, and serving properties with one or more buildings containing in sum 50,000 gross square feet or greater; or

(ii) a municipally owned electric or gas utility serving customers in any city with a population of over 50,000 residents, as determined by the Minnesota State Demographic Center, and serving properties with one or more buildings containing in sum 50,000 gross square feet or greater;

(2) a natural gas supplier with five or more active commercial connections, accounts, or customers in the state and serving customers in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a population of over 50,000 residents, as determined by the Minnesota State Demographic Center, and serving properties with one or more buildings containing in sum 50,000 gross square feet or greater; or

(3) a district steam, hot water, or chilled water provider serving customers in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a population of over 50,000 residents, as determined by the Minnesota State Demographic Center, and serving properties with one or more buildings containing in sum 50,000 gross square feet or greater.

(p) "Tenant" means a person that occupies or holds possession of a building or part of a building or premises pursuant to a lease agreement.

(q) "Total floor area" means the sum of gross square footage inside a building's envelope, measured between the outside exterior walls of the building. Total floor area includes covered parking structures.

(r) "Utility customer" means the building owner or tenant listed on the utility's records as the customer liable for payment of the utility service or additional charges assessed on the utility account.

(s) "Whole building energy use data" means all energy consumed in a building, whether purchased from a third party or generated at the building site or from any other source.

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

Sec. 18. Minnesota Statutes 2022, section 216C.435, subdivision 3a, is amended to read:

Subd. 3a. ~~Cost-effective Energy improvements.~~ "Cost-effective Energy improvements" means:

(1) any new construction, renovation, or retrofitting of qualifying commercial real property to improve energy efficiency that: (i) is permanently affixed to the property; and (ii) results in a net reduction in energy consumption without altering the principal source of energy, and has been identified or greenhouse gas emissions, as documented in an energy audit as repaying the purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices or emissions avoided;

(2) any renovation or retrofitting of qualifying residential real property that is permanently affixed to the property and is eligible to receive an incentive through a program offered by the electric or natural gas utility that provides service under section 216B.241 to the property or is otherwise determined to be ~~a cost-effective~~ an eligible energy improvement by the commissioner under section 216B.241, subdivision 1d, paragraph (a);

(3) permanent installation of new or upgraded electrical circuits and related equipment to enable electrical vehicle charging; or

(4) a solar voltaic or solar thermal energy system attached to, installed within, or proximate to a building that generates electrical or thermal energy from a renewable energy source that has been ~~identified~~ documented in an energy audit or renewable energy system feasibility study ~~as repaying their purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices, along with the estimated amount of related renewable energy production.~~

Sec. 19. Minnesota Statutes 2022, section 216C.435, subdivision 3b, is amended to read:

Subd. 3b. **Commercial PACE loan contractor.** "Commercial PACE loan contractor" means a person or entity that installs ~~cost-effective energy~~ eligible improvements financed under a commercial PACE loan program.

Sec. 20. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 3e. **Eligible improvement.** "Eligible improvement" means one or more energy improvements, resiliency improvements, or water improvements made to qualifying real property.

Sec. 21. Minnesota Statutes 2022, section 216C.435, subdivision 4, is amended to read:

Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy consumption of a building by a certified energy auditor, whose certification is approved by the commissioner, for the purpose of identifying appropriate energy improvements that could be made to the building and including an estimate of the ~~length of time a specific energy improvement will take to repay its purchase and installation costs, based on the amount of energy saved and estimated future energy prices~~ effective useful life, the reduction of energy consumption, and the related avoided greenhouse gas emissions resulting from the proposed eligible improvements.

Sec. 22. Minnesota Statutes 2023 Supplement, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, a commercial or industrial building, or farmland, as defined in section 216C.436, subdivision 1b, that the implementing entity has determined, after review of an energy audit, renewable energy system feasibility study, water improvement study, resiliency improvement study, or agronomic assessment, as defined in section 216C.436, subdivision 1b, can benefit from ~~the installation of cost-effective energy installing eligible~~ improvements or land and water improvements, as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

Sec. 23. Minnesota Statutes 2022, section 216C.435, subdivision 10, is amended to read:

Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system feasibility study" means a written study, conducted by a contractor trained to perform that analysis, for the purpose of determining the feasibility of installing a renewable energy system in a building, including an estimate of the ~~length of time a specific effective useful life, the production of renewable energy, and any related avoided greenhouse gas emissions of the proposed~~ renewable energy system ~~will take to repay its purchase and installation costs, based on the amount of energy saved and estimated future energy prices.~~ For a geothermal energy improvement, the feasibility study ~~must calculate net savings in terms of nongeothermal energy and costs.~~

Sec. 24. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 11a. **Resiliency improvement.** "Resiliency improvement" means one or more installations or modifications to eligible commercial real property that are designed to improve a property's resiliency by improving the eligible real property's:

- (1) structural integrity for seismic events;
- (2) indoor air quality;
- (3) durability to resist wind, fire, and flooding;
- (4) ability to withstand an electric power outage;
- (5) stormwater control measures, including structural and nonstructural measures to mitigate stormwater runoff;
- (6) ability to mitigate the impacts of extreme temperatures; or
- (7) ability to mitigate greenhouse gas embodied emissions from the eligible real property.

Sec. 25. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 11b. **Resiliency improvement feasibility study.** "Resiliency improvement feasibility study" means a written study that is conducted by a contractor trained to perform the analysis to:

- (1) determine the feasibility of installing a resiliency improvement;
- (2) document the improved resiliency capabilities of the property; and
- (3) estimate the effective useful life of the proposed resiliency improvements.

Sec. 26. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 14. **Water improvement.** "Water improvement" means one or more installations or modifications to qualifying commercial real property that are designed to improve water efficiency or water quality by:

- (1) reducing water consumption;
- (2) improving the quality, potability, or safety of water for the qualifying property; or
- (3) conserving or remediating water, in whole or in part, on qualifying real property.

Sec. 27. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision to read:

Subd. 15. **Water improvement feasibility study.** "Water improvement feasibility study" means a written study that is conducted by a contractor trained to perform the analysis to:

- (1) determine the appropriate water improvements that could be made to the building; and
- (2) estimate the effective useful life, the reduction of water consumption, and any improvement in water quality resulting from the proposed water improvements.

Sec. 28. Minnesota Statutes 2022, section 216C.436, subdivision 1, is amended to read:

Subdivision 1. **Program purpose and authority.** An implementing entity may establish a commercial PACE loan program to finance ~~cost-effective energy, water, and resiliency~~ cost-effective energy, water, and resiliency improvements to enable owners of qualifying commercial real property to pay for ~~the cost-effective energy eligible~~ improvements to the qualifying real property with the net proceeds and interest earnings of revenue bonds authorized in this section. An implementing entity may limit the number of qualifying commercial real properties for which a property owner may receive program financing.

Sec. 29. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 1b, is amended to read:

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

(b) "Agronomic assessment" means a study by an independent third party that assesses the environmental impacts of proposed land and water improvements on farmland.

(c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under section 273.13, subdivision 23.

(d) "Land and water improvement" means:

(1) an improvement to farmland that:

- (i) is permanent;
- (ii) results in improved agricultural profitability or resiliency;
- (iii) reduces the environmental impact of agricultural production; and

(iv) if the improvement affects drainage, complies with the most recent versions of the applicable following conservation practice standards issued by the United States Department of Agriculture's Natural Resources Conservation Service: Drainage Water Management (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and Constructed Wetland (Code 656); or

(2) water conservation and quality measures, which include permanently affixed equipment, appliances, or improvements that reduce a property's water consumption or that enable water to be managed more efficiently.

(e) "Resiliency" means:

(1) the ability of farmland to maintain and enhance profitability, soil health, and water quality;

(2) the ability to mitigate greenhouse gas embodied emissions from an eligible real property; or

(3) an increase in building resilience through flood mitigation, stormwater management, wildfire and wind resistance, energy storage use, or microgrid use.

Sec. 30. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** A commercial PACE loan program must:

(1) impose requirements and conditions on financing arrangements to ensure timely repayment;

(2) require an energy audit, renewable energy system feasibility study, resiliency improvement study, water improvement study, or agronomic or soil health assessment to be conducted on the qualifying commercial real property and reviewed by the implementing entity prior to approval of the financing;

(3) require the inspection or verification of all ~~installations and a performance verification of at least ten percent of the cost-effective energy~~ eligible improvements or land and water improvements financed by the program;

(4) not prohibit the financing of all ~~cost-effective energy~~ eligible improvements or land and water improvements not otherwise prohibited by this section;

(5) require that all ~~cost-effective energy~~ eligible improvements or land and water improvements be made to a qualifying commercial real property prior to, or in conjunction with, an applicant's repayment of financing for ~~cost-effective energy~~ eligible improvements or land and water improvements for ~~that~~ the qualifying commercial real property;

(6) have ~~cost-effective energy~~ eligible improvements or land and water improvements financed by the program performed by a licensed contractor as required by chapter 326B or other law or ordinance;

(7) require disclosures in the loan document to borrowers by the implementing entity of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency results from a default; and (ii) all the terms and conditions of the commercial PACE loan and the installation of ~~cost-effective energy~~ eligible improvements or land and water improvements, including the interest rate being charged on the loan;

(8) provide financing only to those who demonstrate an ability to repay;

(9) not provide financing for a qualifying commercial real property in which the owner is not current on mortgage or real property tax payments;

(10) require a petition to the implementing entity by all owners of the qualifying commercial real property requesting collections of repayments as a special assessment under section 429.101;

(11) provide that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due;

(12) require that liability for special assessments related to the financing runs with the qualifying commercial real property; and

(13) prior to financing any improvements to or imposing any assessment upon qualifying commercial real property, require notice to and written consent from the mortgage lender of any mortgage encumbering or otherwise secured by the qualifying commercial real property.

Sec. 31. Minnesota Statutes 2022, section 216C.436, subdivision 4, is amended to read:

Subd. 4. **Financing terms.** Financing provided under this section must have:

(1) a cost-weighted average maturity not exceeding the useful life of the energy eligible improvements installed, as determined by the implementing entity, but in no event may a term exceed ~~20~~ 30 years;

(2) a principal amount not to exceed the lesser of:

(i) the greater of ~~20~~ 30 percent of the assessed value of the real property on which the improvements are to be installed or ~~20~~ 30 percent of the real property's appraised value, accepted or approved by the mortgage lender; or

(ii) the actual cost of installing the energy eligible improvements, including the costs of necessary equipment, materials, and labor; the costs of each related energy audit ~~or~~ renewable energy system feasibility study, water improvement study, or resiliency improvement study; and the cost of verification of installation; and

(3) an interest rate sufficient to pay the financing costs of the program, including the issuance of bonds and any financing delinquencies.

Sec. 32. Minnesota Statutes 2022, section 216C.436, subdivision 7, is amended to read:

Subd. 7. **Repayment.** An implementing entity that finances an energy eligible improvement under this section must:

(1) secure payment with a lien against the qualifying commercial real property; and

(2) collect repayments as a special assessment as provided for in section 429.101 or by charter, provided that special assessments may be made payable in up to ~~20~~ 30 equal annual installments.

If the implementing entity is an authority, the local government that authorized the authority to act as implementing entity shall impose and collect special assessments necessary to pay debt service on bonds issued by the implementing entity under subdivision 8, and shall transfer all collections of the assessments upon receipt to the authority.

Sec. 33. Minnesota Statutes 2022, section 216C.436, subdivision 8, is amended to read:

Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue bonds as provided in chapter 475 for the purposes of this section and section 216C.437, provided the revenue bond must not be payable more than ~~20~~ 30 years from the date of issuance.

(b) The bonds must be payable as to both principal and interest solely from the revenues from the assessments established in subdivision 7 and section 216C.437, subdivision 28.

(c) No holder of bonds issued under this subdivision may compel any exercise of the taxing power of the implementing entity that issued the bonds to pay principal or interest on the bonds, and if the implementing entity is an authority, no holder of the bonds may compel any exercise of the taxing power of the local government. Bonds issued under this subdivision are not a debt or obligation of the issuer or any local government that issued them, nor is the payment of the bonds enforceable out of any money other than the revenue pledged to the payment of the bonds.

Sec. 34. Minnesota Statutes 2022, section 216C.436, subdivision 10, is amended to read:

Subd. 10. **Improvements; real property or fixture.** ~~A cost effective energy~~ An eligible improvement financed under a PACE loan program, including all equipment purchased in whole or in part with loan proceeds under a loan program, is deemed real property or a fixture attached to the real property."

Delete the title and insert:

"A bill for an act relating to state government operations and finance; modifying fees assessed by the Department of Commerce; modifying appropriations to the Office of Cannabis Management; modifying provisions governing cannabis and health responsibilities; modifying insurance assessments and fees; giving various rights to consumers regarding personal data; placing obligations on certain businesses regarding consumer data; providing for enforcement by the attorney general; state government; authorizing supplemental agriculture appropriations; modifying appropriations; providing broadband appropriation transfer authority; making policy and technical changes to agriculture provisions; establishing and modifying agriculture programs; requiring an application for federal broadband aid; establishing a supplemental budget for energy, transmission, and renewable energy purposes; adding and modifying provisions governing geothermal energy, electric transmission, solar energy, and other energy policy; establishing programs; requiring reports; appropriating money; making technical changes; amending Minnesota Statutes 2022, sections 3.7371, subdivisions 2, 3, by adding subdivisions; 17.133, subdivision 1; 18B.01, by adding a subdivision; 18B.26, subdivision 6; 18B.28, by adding a subdivision; 18B.305, subdivision 2; 18B.32, subdivisions 1, 3, 4, 5; 18B.33, subdivisions 1, 5, 6; 18B.34, subdivisions 1, 4; 18B.35, subdivision 1; 18B.36, subdivisions 1, 2; 18B.37, subdivisions 2, 3; 18C.005, subdivision 33, by adding subdivisions; 18C.115, subdivision 2; 18C.215, subdivision 1; 18C.221; 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 18D.301, subdivision 1; 28A.10; 28A.21, subdivision 6; 31.74; 31.94; 32D.30; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 1; 45.0135, subdivision 7; 62Q.73, subdivision 3; 116J.396, by adding a subdivision; 216B.16, subdivisions 6c, 7b; 216B.2402, subdivisions 4, 10, by adding a subdivision; 216B.2403, subdivisions 2, 3, 5, 8; 216B.241, subdivisions 1c, 2, 11, 12; 216B.2421, subdivision 2; 216B.2425, subdivisions 1, 2, by adding a subdivision; 216B.2427, subdivision 1, by adding a subdivision; 216B.243, subdivisions 3, 9; 216B.246, subdivision 3; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10; 216E.03, as amended; 216E.04, as amended; 216F.02; 223.17, subdivision 6; 232.21, subdivisions 3, 7, 11, 12, 13; Minnesota Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3; 17.134, by adding a subdivision; 18C.421, subdivision 1; 18C.425, subdivision 6; 18K.06; 41A.19; 116C.779, subdivision 1; 144.197; 216B.243, subdivision 8; 216C.08; 216C.09; 216C.331, subdivision 1; 216C.435, subdivision 8; 216C.436, subdivisions 1b, 2; 216E.10, subdivision 3; 342.15, by adding a subdivision; 342.72; Laws 2023, chapter 43, article 1, sections 2; 4; Laws 2023, chapter 63, article 9, sections 10; 19; 20; proposing coding for new law in Minnesota Statutes, chapters 13; 18B; 18C; 216C; 216E; proposing coding for new law as Minnesota Statutes, chapter 325O; repealing Minnesota Statutes 2022, sections 3.7371, subdivision 7; 34.07; 216E.08, subdivisions 1, 4; 216F.01, subdivision 1; 216F.012; 216F.015; 216F.03; Minnesota Statutes 2023 Supplement, section 216F.04; Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030; 1506.0035; 1506.0040; 7850.2400; 7850.3600."

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

The report was adopted.

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

H. F. No. 5363, A bill for an act relating to employees; modifying paid leave provisions; amending Minnesota Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement, sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Judiciary Finance and Civil Law.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 3431, 3911 and 4975 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Urdahl and Anderson, P. H., introduced:

H. F. No. 5427, A bill for an act relating to capital investment; authorizing the sale and issuance of appropriation bonds to fund a wastewater industrial pretreatment facility in the city of Litchfield; proposing coding for new law in Minnesota Statutes, chapter 16A.

The bill was read for the first time and referred to the Committee on Capital Investment.

Noor introduced:

H. F. No. 5428, A bill for an act relating to human services; directing the commissioner to provide an annual report on treatments for sickle cell disease; amending Minnesota Statutes 2022, section 256.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Davids introduced:

H. F. No. 5429, A bill for an act relating to capital investment; appropriating money for capital improvements at and near the historic campus in the city of Preston; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Davids introduced:

H. F. No. 5430, A bill for an act relating to capital investment; appropriating money for water infrastructure in the city of Peterson; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Davids introduced:

H. F. No. 5431, A bill for an act relating to capital investment; appropriating money for a new bike trail from the city of Harmony to the city of Caledonia; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Finke and Curran introduced:

H. F. No. 5432, A bill for an act relating to public safety; limiting segregated housing in Minnesota jails and prisons; prohibiting solitary confinement; requiring rulemaking; requiring reports; amending Minnesota Statutes 2022, section 243.521.

The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy.

#### 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 Tuesday, April 30, 2024 and established a prefilng requirement for amendments offered to the following bills:

H. F. Nos. 4124, 5237, 2476 and 5242.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

ANNOUNCEMENT BY THE SPEAKER  
Pursuant to Rule 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House File:

H. F. No. 3454.

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, May 1, 2024 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3488, 5040, 3911, 4975 and 3431.

**CALENDAR FOR THE DAY**

H. F. No. 601 was reported to the House.

Engen moved to amend H. F. No. 601, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **TASK FORCE ON LOST OR STOLEN FIREARMS.**

Subdivision 1. **Establishment.** The Task Force on Lost or Stolen Firearms is established to study the use of firearms that are lost or stolen in the commission of a crime.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the superintendent of the Bureau of Criminal Apprehension, or a designee;

(2) a county attorney appointed by the Minnesota County Attorneys Association;

(3) a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Chiefs of Police Association;

(4) a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Sheriffs' Association; and

(5) a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Police and Peace Officers Association.

(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, study the number of firearms used in crimes that were:

(1) reported as having been lost or stolen; and

(2) not been reported as having been lost or stolen, but were later found to have been stolen.

(b) The task force may make recommendations for proposed legislation or policies related to the reporting of lost or stolen firearms.

(c) At its discretion, the task force may examine other issues consistent with this section.

Subd. 5. **Recommendations; report.** By February 1, 2025, the task force must submit a report to 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.

Sec. 2. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

\$36,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of public safety to provide space and support for the Task Force on Lost or Stolen Firearms."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Engen amendment and the roll was called. There were 63 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Backer	Bennett	Davids	Dotseth	Franson
Anderson, P. E.	Bakeberg	Bliss	Davis	Engen	Garofalo
Anderson, P. H.	Baker	Burkel	Demuth	Fogelman	Gillman

Grossell	Joy	Mueller	Novotny	Robbins	West
Harder	Knudsen	Murphy	O'Driscoll	Schomacker	Wiener
Heintzeman	Koznick	Myers	Olson, B.	Schultz	Wiens
Hudella	Kresha	Nadeau	Perryman	Scott	Witte
Hudson	Lawrence	Nash	Petersburg	Skraba	Zeleznikar
Igo	Lislegard	Nelson, N.	Pfarr	Swedzinski	
Jacob	McDonald	Neu Brindley	Quam	Torkelson	
Johnson	Mekeland	Niska	Rarick	Urdahl	

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	Kraft	Pelowski	Virmig
Berg	Fischer	Hill	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, K.	Pinto	Xiong
Brand	Frederick	Hornstein	Liebling	Pryor	Youakim
Carroll	Freiberg	Howard	Lillie	Pursell	Spk. Hortman
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

The motion did not prevail and the amendment was not adopted.

Hudson moved to amend H. F. No. 601, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[624.7145] POSSESSION OF LOST OR STOLEN FIREARM.**

(a) A person who possesses a firearm that belongs to another without claim of right or the other's consent is guilty of a gross misdemeanor if the firearm:

(1) was reported as having been lost or stolen; or

(2) is found to have been stolen.

(b) A conviction under this section does not bar prosecution or conviction for a violation of section 609.52, 609.53, or any other offense.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hudson amendment and the roll was called. There were 63 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. H.	Engen	Jacob	Murphy	Petersburg	Urdahl
Backer	Fogelman	Johnson	Myers	Pfarr	West
Bakeberg	Franson	Joy	Nadeau	Quam	Wiener
Baker	Garofalo	Knudsen	Nash	Rarick	Wiens
Bennett	Gillman	Koznick	Nelson, N.	Robbins	Witte
Bliss	Grossell	Kresha	Neu Brindley	Schomacker	Zelevnikar
Burkel	Harder	Lawrence	Niska	Schultz	
Davids	Heintzeman	Lislegard	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	

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	Kraft	Pelowski	Virinig
Berg	Fischer	Hill	Lee, F.	Pérez-Vega	Wolgammott
Bierman	Frazier	Hollins	Lee, K.	Pinto	Xiong
Brand	Frederick	Hornstein	Liebling	Pryor	Youakim
Carroll	Freiberg	Howard	Lillie	Pursell	Spk. Hortman
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

The motion did not prevail and the amendment was not adopted.

H. F. No. 601, A bill for an act relating to public safety; requiring lost and stolen firearms to be reported promptly to law enforcement; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 624.

The bill was read for the third time 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 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Cha	Fischer	Hassan	Huot	Lee, F.
Agbaje	Clardy	Frazier	Hemmingsen-Jaeger	Hussein	Lee, K.
Bahner	Coulter	Frederick	Her	Jordan	Liebling
Becker-Finn	Curran	Freiberg	Hicks	Keeler	Lillie
Berg	Edelson	Gomez	Hill	Klevorn	Long
Bierman	Elkins	Greenman	Hollins	Koegel	Moller
Brand	Feist	Hansen, R.	Hornstein	Kotyza-Witthuhn	Nelson, M.
Carroll	Finke	Hanson, J.	Howard	Kraft	Newton

Noor	Pérez-Vega	Rehm	Stephenson	Wolgamott
Norris	Pinto	Reyer	Tabke	Xiong
Olson, L.	Pryor	Sencer-Mura	Vang	Youakim
Pelowski	Pursell	Smith	Virnig	Spk. Hortman

Those who voted in the negative were:

Altendorf	Demuth	Hudson	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. H.	Engen	Jacob	Murphy	Petersburg	Urdahl
Backer	Fogelman	Johnson	Myers	Pfarr	West
Bakeberg	Franson	Joy	Nadeau	Quam	Wiener
Baker	Garofalo	Knudsen	Nash	Rarick	Wiens
Bennett	Gillman	Koznick	Nelson, N.	Robbins	Witte
Bliss	Grossell	Kresha	Neu Brindley	Schomacker	Zelevnikar
Burkel	Harder	Lawrence	Niska	Schultz	
Davids	Heintzeman	Lislegard	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	

The bill was passed and its title agreed to.

Curran was excused between the hours of 6:35 p.m. and 8:40 p.m.

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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 78 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Koegel	Newton	Skraba
Agbaje	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Noor	Smith
Bahner	Feist	Her	Kraft	Norris	Stephenson
Bakeberg	Finke	Hicks	Lee, F.	Olson, L.	Tabke
Becker-Finn	Fischer	Hill	Lee, K.	Pelowski	Urdahl
Berg	Franson	Hollins	Liebling	Pérez-Vega	Vang
Bierman	Frazier	Hornstein	Lillie	Perryman	Virnig
Brand	Frederick	Howard	Lislegard	Pinto	Witte
Carroll	Freiberg	Huot	Long	Pryor	Wolgamott
Cha	Gomez	Hussein	Moller	Pursell	Xiong
Clardy	Greenman	Jordan	Myers	Rehm	Youakim
Coulter	Hansen, R.	Keeler	Nadeau	Reyer	Zelevnikar
Davids	Hanson, J.	Klevorn	Nelson, M.	Sencer-Mura	Spk. Hortman

Those who voted in the negative were:

Altendorf	Backer	Bliss	Demuth	Fogelman	Grossell
Anderson, P. E.	Baker	Burkel	Dotseth	Garofalo	Harder
Anderson, P. H.	Bennett	Davis	Engen	Gillman	Heintzeman

Hudella	Knudsen	Mueller	Novotny	Rarick	Torkelson
Hudson	Koznick	Murphy	O'Driscoll	Robbins	West
Igo	Kresha	Nash	Olson, B.	Schomacker	Wiener
Jacob	Lawrence	Nelson, N.	Petersburg	Schultz	Wiens
Johnson	McDonald	Neu Brindley	Pfarr	Scott	
Joy	Mekeland	Niska	Quam	Swedzinski	

The bill was passed and its title agreed to.

H. F. No. 4247 was reported to the House.

Huot moved to amend H. F. No. 4247, the first engrossment, as follows:

Page 8, line 8, delete everything after "commissioner"

Page 8, line 9, delete everything before the period

Page 9, line 22, after the semicolon, insert "and"

Page 9, line 23, delete "\$894" and insert "\$225" and delete "; and" and insert a period

Page 9, delete line 24

Page 45, line 4, delete "\$247,000" and insert "\$198,000"

Page 45, lines 6 and 7, delete "\$111,000" and insert "\$105,000"

The motion prevailed and the amendment was adopted.

Neu Brindley moved to amend H. F. No. 4247, the first engrossment, as amended, as follows:

Page 44, line 16, strike "a manufacturer" and insert "all manufacturers required to report under subdivision 2 whether"

Page 44, line 17, strike "that" and after "and" insert "whether the manufacturer"

The motion prevailed and the amendment was adopted.

Quam offered an amendment to H. F. No. 4247, the first engrossment, as amended.

#### POINT OF ORDER

Hollins raised a point of order pursuant to rule 3.21 that the Quam amendment was not in order. The Speaker ruled the point of order well taken and the Quam amendment out of order.

Quam appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The Speaker called Her to the Chair.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotzya-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virnig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Edelson	Hassan	Klevorn	Newton	Smith	

Those who voted in the negative were:

Altendorf	Demuth	Igo	Murphy	Petersburg	Urdahl
Anderson, P. E.	Dotseth	Jacob	Myers	Pfarr	West
Anderson, P. H.	Engen	Johnson	Nadeau	Quam	Wiener
Backer	Fogelman	Joy	Nash	Rarick	Wiens
Bakeberg	Franson	Knudsen	Nelson, N.	Robbins	Witte
Baker	Gillman	Koznick	Neu Brindley	Schomacker	Zeleznikar
Bennett	Grossell	Kresha	Niska	Schultz	
Bliss	Harder	Lawrence	Novotny	Scott	
Burkel	Heintzeman	McDonald	O'Driscoll	Skraba	
Davids	Hudella	Mekeland	Olson, B.	Swedzinski	
Davis	Hudson	Mueller	Perryman	Torkelson	

So it was the judgment of the House that the decision of the Speaker should stand.

The Speaker resumed the Chair.

Nadeau offered an amendment to H. F. No. 4247, the first engrossment, as amended.

#### POINT OF ORDER

Pinto raised a point of order pursuant to rule 3.21 that the Nadeau amendment was not in order. The Speaker ruled the point of order well taken and the Nadeau amendment out of order.

Nadeau appealed the decision of the Speaker.

A roll call was requested and properly seconded.

Garofalo was excused for the remainder of today's session.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 66 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hanson, J.	Jordan	Long	Reyer
Agbaje	Elkins	Hassan	Keeler	Moller	Sencer-Mura
Bahner	Feist	Hemmingsen-Jaeger	Klevorn	Nelson, M.	Smith
Becker-Finn	Finke	Her	Koegel	Noor	Stephenson
Berg	Fischer	Hicks	Kotzya-Witthuhn	Norris	Tabke
Bierman	Frazier	Hill	Kraft	Olson, L.	Vang
Brand	Frederick	Hollins	Lee, F.	Pérez-Vega	Virnig
Carroll	Freiberg	Hornstein	Lee, K.	Pinto	Wolgamott
Cha	Gomez	Howard	Liebling	Pryor	Xiong
Clardy	Greenman	Huot	Lillie	Pursell	Youakim
Coulter	Hansen, R.	Hussein	Lislegard	Rehm	Spk. Hortman

Those who voted in the negative were:

Altendorf	Demuth	Igo	Murphy	Pelowski	Swedzinski
Anderson, P. E.	Dotseth	Jacob	Myers	Perryman	Torkelson
Anderson, P. H.	Engen	Johnson	Nadeau	Petersburg	Urdahl
Backer	Fogelman	Joy	Nash	Pfarr	West
Bakeberg	Franson	Knudsen	Nelson, N.	Quam	Wiener
Baker	Gillman	Koznick	Neu Brindley	Rarick	Wiens
Bennett	Grossell	Kresha	Newton	Robbins	Witte
Bliss	Harder	Lawrence	Niska	Schomacker	Zeleznikar
Burkel	Heintzeman	McDonald	Novotny	Schultz	
Davids	Hudella	Mekeland	O'Driscoll	Scott	
Davis	Hudson	Mueller	Olson, B.	Skraba	

So it was the judgment of the House that the decision of the Speaker should stand.

H. F. No. 4247, A bill for an act relating to health; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; appropriating money; amending Minnesota Statutes 2022, sections 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90,

subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 149A; 156; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 148D.061, subdivision 9; 156.12, subdivision 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 92 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Acomb	Demuth	Hemmingsen-Jaeger	Kraft	Olson, L.	Torkelson
Agbaje	Dotseth	Her	Lee, F.	Pelowski	Urdahl
Anderson, P. E.	Edelson	Hicks	Lee, K.	Pérez-Vega	Vang
Bahner	Elkins	Hill	Liebling	Perryman	Virmig
Bakeberg	Feist	Hollins	Lillie	Petersburg	West
Baker	Finke	Hornstein	Lislegard	Pinto	Wiens
Becker-Finn	Fischer	Howard	Long	Pryor	Witte
Bennett	Franson	Hudella	Moller	Pursell	Wolgamott
Berg	Frazier	Huot	Mueller	Rehm	Xiong
Bierman	Frederick	Hussein	Myers	Reyer	Youakim
Brand	Freiberg	Igo	Nadeau	Schomacker	Zeleznikar
Carroll	Gomez	Jordan	Nelson, M.	Sencer-Mura	Spk. Hortman
Cha	Greenman	Keeler	Newton	Skraba	
Clardy	Hansen, R.	Klevorn	Noor	Smith	
Coulter	Hanson, J.	Koegel	Norris	Stephenson	
Davids	Hassan	Kotyza-Witthuhn	O'Driscoll	Tabke	

Those who voted in the negative were:

Altendorf	Fogelman	Johnson	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Gillman	Joy	Murphy	Pfarr	Wiener
Backer	Grossell	Knudsen	Nash	Quam	
Bliss	Harder	Koznick	Nelson, N.	Rarick	
Burkel	Heintzeman	Kresha	Neu Brindley	Robbins	
Davis	Hudson	Lawrence	Niska	Schultz	
Engen	Jacob	McDonald	Novotny	Scott	

The bill was passed, as amended, and its title agreed to.

H. F. No. 3567 was reported to the House.

Scott moved to amend H. F. No. 3567, the first engrossment, as follows:

Page 2, line 10, delete everything after "means" and insert "a woman who participates in a gestational surrogacy arrangement as the woman who carries the child to term and gives birth to the child that is the subject of the surrogacy arrangement."

Page 2, delete lines 11 to 13

Page 2, before line 14, insert:

**"Subd. 9. Gestational surrogacy arrangement and contract.** "Gestational surrogacy arrangement" means the process by which a woman who is not the intended parent attempts to carry and give birth to a child created through in vitro fertilization using one or more gametes provided by the intended parents. "Gestational surrogacy contract" means a written agreement regarding a gestational surrogacy arrangement."

Page 2, line 14, delete everything after "means" and insert "a married couple, at least one of whom contributes his or her own gamete to create the embryo implanted in the gestational surrogate, who enters into an enforceable gestational surrogacy contract as defined in this chapter, under which the married couple consents to be the legal parents of the child or children resulting from in vitro fertilization."

Page 2, delete lines 15 and 16

Page 2, before line 17, insert:

**"Subd. 11. Medical evaluation.** "Medical evaluation" means an evaluation by and in consultation with a physician conducted according to the recommended guidelines published and in effect at the time of the evaluation by the American Society for Reproductive Medicine and the American College of Obstetricians and Gynecologists.

**Subd. 12. Mental health evaluation.** "Mental health evaluation" means an evaluation by and consultation with a mental health professional, as defined in section 245.462, subdivision 18, conducted according to the recommended guidelines published and in effect at the time of the evaluation by the American Society for Reproductive Medicine and the American College of Obstetricians and Gynecologists."

Page 2, after line 20, insert:

**"Subd. 15. Physician.** "Physician" means a person currently licensed in good standing as a physician under chapter 147."

Page 2, after line 24, insert:

**"Subd. 17. Surrogacy agent.** "Surrogacy agent" means any person or entity who provides the service of bringing together intended parents and potential gestational surrogates to create gestational surrogacy arrangements. The term "surrogacy agent" does not include licensed attorneys whose services are limited to the representation of the parties during the creation and performance of the gestational surrogacy contract."

Page 2, delete subdivision 13

Page 2, before line 29, insert:

**"Subd. 18. Traditional surrogacy arrangement.** "Traditional surrogacy arrangement" means the process by which a woman attempts to carry and give birth to a child using her own gametes and either the gametes of a person who intends to parent the child, or donor gametes, when there is an agreement to relinquish the custody of and all rights and obligations to the child upon the child's birth."

Renumber the subdivisions in sequence

Page 5, delete subdivision 1 and insert:

"(a) A woman is eligible to serve as a gestational surrogate if, at the time the gestational surrogacy contract is executed, the woman:

(1) is a United States citizen or legal resident;

(2) is at least 21 years of age;

(3) has given birth to a live child prior to the surrogacy arrangement;

(4) has completed a medical evaluation relating to the anticipated pregnancy and provides a written statement from the examining physician that states that it is reasonably likely that she can successfully carry a pregnancy to full term without any complications that would threaten the health of the gestational surrogate or resulting child;

(5) is represented by independent legal counsel regarding the terms of the gestational surrogacy contract and the potential legal consequences of the gestational surrogacy contract;

(6) has completed a mental health evaluation relating to the anticipated gestational surrogacy arrangement and provided a written summary by the examining psychological professional to the intended parents;

(7) has completed a criminal background check and provided the results to the intended parents;

(8) is financially secure, meaning the gestational surrogate's household, excluding a homestead mortgage and automobile loan payments, has less than \$10,000 of debt at the time of the creation of the gestational surrogacy contract;

(9) is not on any form of public assistance; and

(10) has obtained, or obtains prior to the embryo transfer, a health insurance policy that covers major medical treatments and hospitalization and extends throughout the duration of the expected pregnancy and for eight weeks after the birth of the child; the policy may be procured by the intended parents on behalf of the gestational surrogate pursuant to the gestational surrogate contract or the intended parents may self-insure by depositing sufficient funds into escrow to pay for all reasonably expected medical expenses prior to the date of the first embryo transfer.

(b) To be eligible to participate in a gestational surrogacy arrangement and execute a gestational surrogacy contract, the intended parents must:

(1) be United States citizens or legal residents;

(2) be at least 21 years of age;

(3) have been married at least two years prior to the execution of the gestational surrogacy contract;

(4) require the services of the gestational surrogate to have a child as evidenced by a qualified physician's affidavit attached to the gestational surrogacy contract that the intended parents are unable to conceive or carry a child to term;

(5) have provided a gamete for the child from at least one of the intended parents;

(6) have completed a mental health evaluation relating to the anticipated gestational surrogacy arrangement and provided a written summary by the examining psychological professional to the gestational surrogate;

(7) be represented by independent legal counsel regarding the terms of the gestational surrogacy contract and the potential legal consequences of the gestational surrogacy contract;

(8) have completed a criminal background check and provided the results to the gestational surrogate; and

(9) have an estate planning document prior to the embryo transfer providing for custody and care of the child in the event the intended parents predecease the child."

Page 6, delete subdivision 2

Page 6, delete subdivision 1 and insert:

"(a) A gestational surrogacy contract consistent with the requirements of this section shall be enforceable.

(b) A gestational surrogacy contract is not valid unless:

(1) the gestational surrogate and the intended parents are represented by separate legal counsel in all matters concerning the gestational surrogacy arrangement and the gestational surrogacy contract; and

(2) the gestational surrogate and the intended parents have signed a written acknowledgment of their receipt of information about the legal, financial, and contractual rights, expectations, penalties, and obligations of the surrogacy agreement.

(c) A gestational surrogacy contract must be:

(1) in writing;

(2) executed prior to the commencement of any medical procedures intended to initiate a pregnancy in furtherance of the gestational surrogacy arrangement, other than medical or mental health evaluations necessary to determine eligibility of the parties under section 257.94;

(3) signed by both intended parents, the gestational surrogate, and the gestational surrogate's spouse, if any; and

(4) notarized or witnessed by two disinterested competent adults.

(d) A gestational surrogacy contract must include:

(1) the express written agreement of the intended parents to accept custody of the resulting child or children upon the child's or children's birth regardless of number, sex, or mental or physical condition, and to assume sole responsibility for the support of the child or children upon the birth of the child or children;

(2) estate planning documents executed by the intended parents providing for care and custody of the child or children in the event the intended parents predecease the child or children;

(3) information disclosing how each intended parent will cover the expenses of the surrogate and the medical expenses of the child, and if health care coverage is used to cover the medical expenses, the disclosure must include a summary of the health care policy provisions related to coverage for surrogate pregnancy, including any possible liability of the surrogate, third-party liability liens, other insurance coverage, and any notice requirement that could affect coverage or liability of the surrogate;

(4) a requirement that the embryo transfer be a single-embryo transfer;

(5) the express written agreement of the gestational surrogate to undergo embryo transfer, attempt to carry and give birth to the child, and surrender custody of all resulting children to the intended parents upon the birth of the child or children;

(6) if the gestational surrogate is married, the express agreement of the gestational surrogate's spouse to support, facilitate, and be jointly bound by the obligations imposed on the gestational surrogate pursuant to the terms of the gestational surrogacy contract and to surrender custody of all resulting children to the intended parents upon the birth of the resulting child or children, except as provided in paragraph (g);

(7) the right of the gestational surrogate to choose her own physician;

(8) a requirement that the gestational surrogate be provided a list of potential risks and side effects for hormone treatment and pregnancy with a nongenetically related child; and

(9) that a right created under a surrogacy agreement is not assignable and there is no third-party beneficiary of the agreement other than the child.

(e) A gestational surrogacy contract is enforceable in Minnesota even though it contains one of the following provisions:

(1) the gestational surrogate's agreement to undergo all medical examinations, treatments, and fetal monitoring that her physician recommends for the success of the pregnancy;

(2) the gestational surrogate's agreement to abstain from any activities that her physician reasonably believes to be harmful to the pregnancy and future health of the child, including but not limited to smoking, drinking alcohol, using drugs not prescribed or illegal drugs, using prescription drugs not authorized by a physician aware of the gestational surrogate's pregnancy, exposure to radiation, or any other activities prescribed by a licensed physician, mental health professional, physician assistant, or midwife; and

(3) the agreement of the intended parents to pay for or reimburse the gestational surrogate for reasonable expenses incurred related to the gestational surrogacy arrangement and the gestational surrogacy contract.

(f) Gestational surrogacy contracts that include the following terms are invalid and unenforceable, and the gestational surrogate is not liable for damage:

(1) limits on the gestational surrogate's ability to make medical decisions during the pregnancy;

(2) a requirement that the gestational surrogate consent to the termination of a pregnancy or selective reduction of a fetus or fetuses during pregnancy;

(3) a limit on the recovery of expenses for the gestational surrogate based on the live birth, or terms that prevent a gestational surrogate from recovering costs when a pregnancy is not successful; or

(4) terms that provide for compensation of the gestational surrogate beyond actual expenses.

(g) For the purposes of this section, "compensation" means payment of money, objects, services, or anything else with monetary value in exchange for participating in the gestational surrogacy arrangement. Compensation shall not include reimbursement of actual expenses incurred by the gestational surrogate related to the gestational surrogacy arrangement, including medical insurance, life insurance, cost of medical care, legal expenses, travel expenses, cost of clothing, and payment provided to the gestational surrogate or her family in the event of the gestational surrogate's death or permanent disability.

(h) If the gestational surrogate marries after the gestational surrogacy contract has been signed, there is no effect on an existing gestational surrogate contract, the gestational surrogate's spouse's consent to the contract is not required, and the gestational surrogate's spouse is not a presumed parent of the resulting child.

(i) Any party to the gestational surrogacy contract may invalidate the contract at any time prior to implantation of the embryo for any reason or no reason and is not liable for damages. Except in cases involving fraud, neither a gestational surrogate nor the surrogate's spouse or former spouse, if any, is liable to the intended parent or parents for a penalty or liquidated damages, for terminating a gestational surrogacy agreement under this section."

Page 7, delete subdivisions 2 and 3

Page 8, delete subdivision 4

Page 11, after line 30, insert:

"Sec. 20. **[257E.40] PROHIBITIONS.**

Subdivision 1. **Traditional surrogacy.** Traditional surrogacy arrangements and contracts related to traditional surrogacy arrangements are invalid and parentage and custody shall remain with the woman who gave birth to the child or children, regardless of any surrogacy arrangement, until she chooses to terminate her parental rights.

Subd. 2. **Compensation.** (a) It shall be unlawful for any individual or unincorporated association to accept compensation for recruiting or procuring surrogates, or to accept compensation for otherwise arranging or inducing intended parents and surrogates to enter into surrogacy contracts in this state. All surrogacy agents operating in Minnesota and formed as corporations must be formed as nonprofit corporations under chapter 317A. Surrogacy agencies formed as nonprofit corporations shall be licensed by the Department of Human Services. Surrogacy agents formed as corporations under chapter 317A may receive compensation for facilitating a gestational surrogacy arrangement.

(b) A violation of this section shall be punishable as a felony with a prison sentence of up to two years and a fine of \$25,000.

(c) Any person who acts as a surrogacy agent in violation of this section shall also be liable to all the parties to the gestational surrogacy contract in an amount equal to three times the amount of compensation to have been paid to the agent pursuant to the contract. One-half of the damages under this paragraph shall be due to (1) the gestational surrogate, and (2) the gestational surrogate's spouse, if any, if the spouse is a party to the contract. One-half of the damages under this paragraph shall be due to the intended parents. An action under this section must be brought within five years of the date of the contract.

(d) This section does not apply to the services of an attorney who gives legal advice relating to a surrogacy contract or prepares a surrogacy contract, provided that the attorney does not also serve as a surrogacy agent."

Page 14, line 6, after the period, insert "The Department of Health shall collect aggregate data related to surrogacy, as described in section 257.95. Health care professionals who perform in vitro fertilization and embryo transfer procedures for gestational surrogacy arrangements shall report to the Department of Health data on the use of gestational surrogacy, including the number of in vitro procedures, embryo transfers, and live births connected to surrogacy arrangements, as well as the health of children born via surrogacy arrangements."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Hollins offered an amendment to the Scott amendment to H. F. No. 3567, the first engrossment.

#### POINT OF ORDER

Scott raised a point of order pursuant to section 401 of "Mason's Manual of Legislative Procedure," relating to Improper Amendments. The Speaker ruled the point of order well taken and the Hollins amendment to the Scott amendment out of order.

Koegel was excused for the remainder of today's session.

The question recurred on the Scott amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Igo	Murphy	Petersburg	Urdahl
Anderson, P. E.	Dotseth	Jacob	Myers	Pfarr	West
Anderson, P. H.	Engen	Johnson	Nadeau	Quam	Wiener
Backer	Fogelman	Joy	Nash	Rarick	Wiens
Bakeberg	Franson	Knudsen	Nelson, N.	Robbins	Witte
Baker	Gillman	Koznick	Neu Brindley	Schomacker	Zeleznikar
Bennett	Grossell	Kresha	Niska	Schultz	
Bliss	Harder	Lawrence	Novotny	Scott	
Burkel	Heintzeman	McDonald	O'Driscoll	Skraba	
Davids	Hudella	Mekeland	Olson, B.	Swedzinski	
Davis	Hudson	Mueller	Perryman	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Norris	Tabke
Bahner	Feist	Her	Kraft	Olson, L.	Vang
Becker-Finn	Finke	Hicks	Lee, F.	Pelowski	Virnig
Berg	Fischer	Hill	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Liebling	Pinto	Xiong
Brand	Frederick	Hornstein	Lillie	Pryor	Youakim
Carroll	Freiberg	Howard	Lislegard	Pursell	Spk. Hortman
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

The motion did not prevail and the amendment was not adopted.

Niska moved to amend H. F. No. 3567, the first engrossment, as follows:

Page 7, line 31, after "provide" insert "only"

Page 7, line 32, delete "consideration and"

A roll call was requested and properly seconded.

The question was taken on the Niska amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Igo	Murphy	Petersburg	Urdahl
Anderson, P. E.	Dotseth	Jacob	Myers	Pfarr	West
Anderson, P. H.	Engen	Johnson	Nadeau	Quam	Wiener
Backer	Fogelman	Joy	Nash	Rarick	Wiens
Bakeberg	Franson	Knudsen	Nelson, N.	Robbins	Witte
Baker	Gillman	Koznick	Neu Brindley	Schomacker	Zeleznikar
Bennett	Grossell	Kresha	Niska	Schultz	
Bliss	Harder	Lawrence	Novotny	Scott	
Burkel	Heintzeman	McDonald	O'Driscoll	Skraba	
Davids	Hudella	Mekeland	Olson, B.	Swedzinski	
Davis	Hudson	Mueller	Perryman	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Norris	Tabke
Bahner	Feist	Her	Kraft	Olson, L.	Vang
Becker-Finn	Finke	Hicks	Lee, F.	Pelowski	Virmig
Berg	Fischer	Hill	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Liebling	Pinto	Xiong
Brand	Frederick	Hornstein	Lillie	Pryor	Youakim
Carroll	Freiberg	Howard	Lislegard	Pursell	Spk. Hortman
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

The motion did not prevail and the amendment was not adopted.

Niska moved to amend H. F. No. 3567, the first engrossment, as follows:

Page 5, line 25, before the colon, insert "be a United States citizen or permanent legal resident and"

Page 6, line 4, delete "each" and insert "one"

Page 6, line 5, delete "whether or not" and insert "must be" and after the comma, insert "and both intended parents"

Page 6, line 6, before "have" insert "be a United States citizen or legal resident and"

A roll call was requested and properly seconded.

The question was taken on the Niska amendment and the roll was called. There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Dotseth	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Engen	Johnson	Myers	Pfarr	West
Backer	Fogelman	Joy	Nadeau	Quam	Wiener
Bakeberg	Franson	Knudsen	Nash	Rarick	Wiens
Baker	Gillman	Koznick	Nelson, N.	Robbins	Witte
Bennett	Grossell	Kresha	Neu Brindley	Schomacker	Zeleznikar
Bliss	Harder	Lawrence	Niska	Schultz	
Burkel	Heintzeman	Lislegard	Novotny	Scott	
Davids	Hudella	McDonald	O'Driscoll	Skraba	
Davis	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Norris	Tabke
Agbaje	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Olson, L.	Vang
Bahner	Feist	Her	Kraft	Pelowski	Virmig
Becker-Finn	Finke	Hicks	Lee, F.	Pérez-Vega	Wolgamott
Berg	Fischer	Hill	Lee, K.	Pinto	Xiong
Bierman	Frazier	Hollins	Liebling	Pryor	Youakim
Brand	Frederick	Hornstein	Lillie	Pursell	Spk. Hortman
Carroll	Freiberg	Howard	Long	Rehm	
Cha	Gomez	Huot	Moller	Reyer	
Clardy	Greenman	Hussein	Nelson, M.	Sencer-Mura	
Coulter	Hansen, R.	Jordan	Newton	Smith	
Curran	Hanson, J.	Keeler	Noor	Stephenson	

The motion did not prevail and the amendment was not adopted.

H. F. No. 3567, A bill for an act relating to civil law; updating rights and responsibilities relating to assisted reproduction; creating requirements for surrogacy agreements; providing recordkeeping and information sharing for genetic donation; proposing coding for new law as Minnesota Statutes, chapter 257E; repealing Minnesota Statutes 2022, section 257.56.

The bill was read for the third time 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	Carroll	Feist	Greenman	Hill	Keeler
Agbaje	Cha	Finke	Hansen, R.	Hollins	Klevorn
Bahner	Clardy	Fischer	Hanson, J.	Hornstein	Kotyza-Witthuhn
Becker-Finn	Coulter	Frazier	Hassan	Howard	Kraft
Berg	Curran	Frederick	Hemmingsen-Jaeger	Huot	Lee, F.
Bierman	Edelson	Freiberg	Her	Hussein	Lee, K.
Brand	Elkins	Gomez	Hicks	Jordan	Liebling

Lillie	Newton	Pérez-Vega	Reyer	Vang	Spk. Hortman
Lislegard	Noor	Pinto	Sencer-Mura	Virnig	
Long	Norris	Pryor	Smith	Wolgamott	
Moller	Olson, L.	Pursell	Stephenson	Xiong	
Nelson, M.	Pelowski	Rehm	Tabke	Youakim	

Those who voted in the negative were:

Altendorf	Demuth	Igo	Murphy	Petersburg	Urdahl
Anderson, P. E.	Dotseth	Jacob	Myers	Pfarr	West
Anderson, P. H.	Engen	Johnson	Nadeau	Quam	Wiener
Backer	Fogelman	Joy	Nash	Rarick	Wiens
Bakeberg	Franson	Knudsen	Nelson, N.	Robbins	Witte
Baker	Gillman	Koznick	Neu Brindley	Schomacker	Zeleznikar
Bennett	Grossell	Kresha	Niska	Schultz	
Bliss	Harder	Lawrence	Novotny	Scott	
Burkel	Heintzeman	McDonald	O'Driscoll	Skraba	
Davids	Hudella	Mekeland	Olson, B.	Swedzinski	
Davis	Hudson	Mueller	Perryman	Torkelson	

The bill was passed and its title agreed to.

H. F. No. 4444 was reported to the House.

#### LAY ON THE TABLE

Long moved that H. F. No. 4444 be laid on the table. The motion prevailed.

H. F. No. 4300 was reported to the House.

#### LAY ON THE TABLE

Long moved that H. F. No. 4300 be laid on the table. The motion prevailed.

H. F. No. 2609 was reported to the House.

#### LAY ON THE TABLE

Long moved that H. F. No. 2609 be laid on the table. The motion prevailed.

H. F. No. 3757 was reported to the House.

#### LAY ON THE TABLE

Long moved that H. F. No. 3757 be laid on the table. The motion prevailed.

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. 1989, A bill for an act relating to consumer protection; requiring disclosures relating to ticket sales; prohibiting conduct in connection with ticket sales; requiring disclosure of data to the commissioner of commerce; allowing enforcement by the commissioner of commerce; proposing coding for new law in Minnesota Statutes, chapter 325F.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3376, A bill for an act relating to natural resources; allowing the use of a digital image as proof of possession of certain passes and licenses; providing for using electronic devices to display documents; amending Minnesota Statutes 2022, section 97A.215, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 97A.405, subdivision 2.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3868, A bill for an act relating to commerce; adopting amendments to the Uniform Commercial Code to accommodate emerging technologies; amending Minnesota Statutes 2022, sections 336.1-201; 336.1-204; 336.1-301; 336.1-306; 336.2-102; 336.2-106; 336.2-201; 336.2-202; 336.2-203; 336.2-205; 336.2-209; 336.2A-102; 336.2A-103; 336.2A-107; 336.2A-201; 336.2A-202; 336.2A-203; 336.2A-205; 336.2A-208; 336.3-104; 336.3-105; 336.3-401; 336.3-604; 336.4A-103; 336.4A-201; 336.4A-202; 336.4A-203; 336.4A-207; 336.4A-208; 336.4A-210; 336.4A-211; 336.4A-305; 336.5-104; 336.5-116; 336.7-102; 336.7-106; 336.8-102; 336.8-103; 336.8-106; 336.8-110; 336.8-303; 336.9-102; 336.9-104; 336.9-105; 336.9-203; 336.9-204; 336.9-207; 336.9-208; 336.9-209; 336.9-210; 336.9-301; 336.9-304; 336.9-305; 336.9-310; 336.9-312; 336.9-313; 336.9-314; 336.9-316; 336.9-317; 336.9-323; 336.9-324; 336.9-330; 336.9-331; 336.9-332; 336.9-334; 336.9-341; 336.9-404; 336.9-406; 336.9-408; 336.9-509; 336.9-513; 336.9-605; 336.9-608; 336.9-611; 336.9-613; 336.9-614; 336.9-615; 336.9-616; 336.9-619; 336.9-620; 336.9-621; 336.9-624; 336.9-628; Minnesota Statutes 2023 Supplement, section 336.9-601; proposing coding for new law in Minnesota Statutes, chapter 336.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Mohamed, Oumou Verbeten, and Housley.

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

Agbaje 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. 3492. 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. 4579, A bill for an act relating to energy; providing for and regulating shared-metered utility service in residential buildings; amending Minnesota Statutes 2022, sections 216B.022; 216B.098, subdivision 6; 504B.285, subdivision 4; Minnesota Statutes 2023 Supplement, section 216B.172, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 504B; repealing Minnesota Statutes 2022, section 504B.215.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Dibble, Port, and Weber.

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

Hollins 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. 4579. The motion prevailed.

**ANNOUNCEMENT BY THE SPEAKER**

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 4579:

Hollins, Feist and Niska.

**MOTIONS AND RESOLUTIONS**

Davids moved that the name of Davids be stricken as an author on H. F. No. 3182. The motion prevailed.

Urdahl moved that the name of Urdahl be stricken as an author on H. F. No. 3182. The motion prevailed.

Berg moved that the name of Freiberg be added as an author on H. F. No. 3446. The motion prevailed.

Smith moved that the names of Kraft and Curran be added as authors on H. F. No. 4630. The motion prevailed.

Curran moved that the names of Pursell, Coulter, Sencer-Mura, Kraft, Virnig and Lee, K., be added as authors on H. F. No. 4657. The motion prevailed.

Feist moved that the name of Davids be added as an author on H. F. No. 4822. The motion prevailed.

Kresha moved that the name of Nadeau be added as an author on H. F. No. 5123. The motion prevailed.

Becker-Finn moved that the name of Frazier be added as an author on H. F. No. 5245. The motion prevailed.

Lislegard moved that the name of Gomez be added as an author on H. F. No. 5246. The motion prevailed.

**WRITTEN DEMAND PURSUANT TO RULE 4.31  
FOR THE IMMEDIATE RETURN OF H. F. NO. 3926**

Pursuant to rule 4.31, Niska presented a written demand to the Speaker on Thursday, April 18, 2024 for the immediate return to the House of H. F. No. 3926 from the Committee on Judiciary Finance and Civil Law, be given its second reading and be placed on the General Register. The initial request was printed in the Journal of the House for Thursday, April 18, 2024.

**SECOND READING OF HOUSE BILLS**

H. F. No. 3926 was read for the second time.

**ADJOURNMENT**

Long moved that when the House adjourns today it adjourn until 11:00 a.m., Tuesday, April 30, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Tuesday, April 30, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

