

## STATE OF MINNESOTA

## NINETY-THIRD SESSION — 2024

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 ONE HUNDRED FOURTEENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 9, 2024

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

Prayer was offered by the Reverend Kenneth L. Beale, Jr., United States Army Chaplain (Colonel-Retired), Historic Fort Snelling Chapel, Woodbury, 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:

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

A quorum was present.

Bliss, Daniels, Davids, Hudella and Robbins were excused.

Acomb was excused until 10:00 p.m.

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

**PETITIONS AND COMMUNICATIONS**

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 7, 2024

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

Dear Speaker Hortman:

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

H. F. No. 1989, 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.

Sincerely,

TIM WALZ  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 8, 2024

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

Dear Speaker Hortman:

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

H. F. No. 3071, relating to transportation; driver and vehicle services; requiring incorporation of plain language standards for written driver's examinations and the driver's manual; requiring a report; appropriating money.

H. F. No. 4661, relating to workers' compensation; making policy and technical changes to workers' compensation coverage and hearings; modifying provisions related to the Workers' Compensation Court of Appeals.

H. F. No. 4310, relating to state government; ratifying certain compensation plans.

H. F. No. 3454, relating to veterans and military affairs; expanding the powers of the adjutant general; modifying veterans home provisions; modifying provisions related to armories; amending policy provisions related to veterans; extending the availability of a grant for the veterans Meals on Wheels program.

Sincerely,

TIM WALZ  
Governor

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

The Honorable Melissa Hortman  
Speaker of the House of Representatives

The Honorable Bobby Joe Champion  
President of the Senate

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

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2024</i>	<i>Date Filed 2024</i>
	3071	89	12:34 p.m. May 8	May 8
	1989	94	11:37 a.m. May 7	May 7
	4661	97	12:35 p.m. May 8	May 8
	4310	99	12:36 p.m. May 8	May 8
	3454	100	12:41 p.m. May 8	May 8

Sincerely,

STEVE SIMON  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Nelson, M., from the Committee on Labor and Industry Finance and Policy to which was referred:

H. F. No. 4746, A bill for an act relating to labor; regulating transportation network companies; providing a civil cause of action; imposing criminal penalties; amending Minnesota Statutes 2022, section 65B.472; proposing coding for new law as Minnesota Statutes, chapter 181C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 65B.472, is amended to read:

### **65B.472 TRANSPORTATION NETWORK FINANCIAL RESPONSIBILITY.**

Subdivision 1. **Definitions.** (a) Unless a different meaning is expressly made applicable, the terms defined in paragraphs (b) through ~~(g)~~ (p) have the meanings given them for the purposes of this ~~chapter~~ section.

(b) ~~A~~ "Digital network" means any online-enabled application, software, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

(c) "Disability and income loss benefits" has the meaning given in section 65B.44, subdivision 3, subject to the weekly maximum amount and with a maximum time period of 130 weeks after the injury.

(d) "P1," "P2," and "P3" have the meanings given in section 181C.01, subdivision 4.

(e) "Funeral and burial expenses" has the meaning given in section 65B.44, subdivision 4.

(f) "Medical expense benefits" has the meaning given in section 65B.44, subdivision 2, except that payment for rehabilitative services is only required when the services are medically necessary.

(g) "Personal injury" means a physical injury or mental impairment arising out of a physical injury in the course of a prearranged ride. A personal injury is only covered if the injury occurs to a driver during P2 or P3, except as provided under subdivision 2, paragraph (d). A personal injury claimant is subject to the requirements of section 65B.56.

~~(e)~~ ~~A~~ (h) "Personal vehicle" means a vehicle that is used by a ~~transportation network company~~ TNC driver in connection with providing a prearranged ride and is:

(1) owned, leased, or otherwise authorized for use by the ~~transportation network company~~ driver; and

(2) not a taxicab, limousine, for-hire vehicle, or a private passenger vehicle driven by a volunteer driver.

~~(d)~~ ~~A~~ (i) "Prearranged ride" means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride does not include transportation provided using a taxicab, limousine, or other for-hire vehicle.

(j) "Replacement services loss benefits" has the meaning given in section 65B.44, subdivision 5, subject to the weekly maximum amount and with a maximum time period of 130 weeks after the injury.

(k) "Survivors economic loss benefits" has the meaning given in section 65B.44, subdivision 6, subject to the weekly maximum amount and with a maximum time period of 130 weeks after death.

(l) "Survivors replacement services loss benefits" has the meaning given in section 65B.44, subdivision 7, subject to the weekly maximum amount and with a maximum time period of 130 weeks after death.

~~(e)~~ A (m) "Transportation network company" or "TNC" means a corporation, partnership, sole proprietorship, or other entity that is operating in Minnesota that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides.

~~(f)~~ A (n) "Transportation network company driver," "TNC driver," or "driver" means an individual who:

(1) receives connections to potential riders and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(2) uses a personal vehicle to provide a prearranged ride to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

~~(g)~~ A (o) "Transportation network company rider," "TNC rider," or "rider" means an individual or persons who use a transportation network company's digital network to connect with a transportation network driver who provides prearranged rides to the rider in the driver's personal vehicle between points chosen by the rider.

~~(h)~~ A (p) "Volunteer driver" means an individual who transports persons or goods on behalf of a nonprofit entity or governmental unit in a private passenger vehicle and receives no compensation for services provided other than the reimbursement of actual expenses.

Subd. 2. **Maintenance of transportation network financial responsibility.** (a) A transportation network company driver or transportation network company on the driver's behalf shall maintain primary automobile insurance that recognizes that the driver is a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and covers the driver: during P1, P2, and P3.

~~(1) while the driver is logged on to the transportation network company's digital network; or~~

~~(2) while the driver is engaged in a prearranged ride.~~

(b) During P1, the following automobile insurance requirements apply ~~while a participating transportation network company driver is logged on to the transportation network company's digital network and is available to receive transportation requests but is not engaged in a prearranged ride:~~

(1) primary coverage insuring against loss resulting from liability imposed by law for injury and property damage, including the requirements of section 65B.49, subdivision 3, in the amount of not less than \$50,000 because of death or bodily injury to one person in any accident, \$100,000 because of death or bodily injury to two or more persons in any accident, and \$30,000 for injury to or destruction of property of others in any one accident;

(2) security for the payment of basic economic loss benefits where required by section 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network company and a ~~transportation network company~~ driver, during the period set forth in this paragraph, are deemed to be in the business of transporting persons for purposes of section 65B.47, subdivision 1, and the insurance required under this subdivision shall be deemed to cover the vehicle during the period set forth in this paragraph;

(3) primary uninsured motorist coverage and primary underinsured motorist coverage where required by section 65B.49, subdivisions 3a and 4a; and

(4) the coverage requirements of this subdivision may be satisfied by any of the following:

(i) automobile insurance maintained by the transportation network company driver;

(ii) automobile insurance maintained by the transportation network company; or

(iii) any combination of items (i) and (ii).

(c) During P2 and P3, the following automobile insurance requirements apply while a transportation network company driver is engaged in a prearranged ride:

(1) primary coverage insuring against loss resulting from liability imposed by law for injury and property damage, including the requirements of section 65B.49, in the amount of not less than \$1,500,000 for death, injury, or destruction of property of others;

(2) security for the payment of basic economic loss benefits where required by section 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network company and a transportation network company driver, during the period set forth in this paragraph, are deemed to be in the business of transporting persons for purposes of section 65B.47, subdivision 1, and the insurance required under this subdivision shall be deemed to cover the vehicle during the period set forth in this paragraph;

(3) primary uninsured motorist coverage and primary underinsured motorist coverage where required by section 65B.49, subdivisions 3a and 4a; and

(4) the coverage requirements of this subdivision may be satisfied by any of the following:

(i) automobile insurance maintained by the transportation network company driver;

(ii) automobile insurance maintained by the transportation network company; or

(iii) any combination of items (i) and (ii).

(d) During P2 and P3, a TNC must maintain insurance on behalf of, and at no cost to, the driver that provides reimbursement for all loss suffered through personal injury arising from the driver's work for the TNC that is not otherwise covered by the insurance required under paragraphs (b) and (c). A driver shall not be charged by the TNC or have their compensation lowered because of the insurance. The insurance coverage must be in the amount of not less than \$1,000,000 per incident due to personal injury and include the following types of coverage: medical expense benefits, disability and income loss benefits, funeral and burial expenses, replacement services loss benefits, survivors economic loss benefits, and survivors replacement services loss benefits. Insurance coverage under this paragraph includes personal injury sustained while at the drop-off location immediately following the conclusion of a prearranged ride.

(e) Any insurer authorized to write accident and sickness insurance in this state have the power to issue the blanket accident and sickness policy described in paragraph (d).

(f) A policy of blanket accident and sickness insurance as described in paragraph (d) must include in substance the provisions required for individual policies that are applicable to blanket accident and sickness insurance and the following provisions:

(1) a provision that the policy and the application of the policyholder constitutes the entire contract between the parties, and that, in the absence of fraud, all statements made by the policyholder are deemed representations and not warranties, and that a statement made for the purpose of affecting insurance does not avoid insurance or reduce benefits unless the statement is contained in a written instrument signed by the policyholder, a copy of which has been furnished to such policyholder; and

(2) a provision that to the group or class originally insured be added from time to time all new persons eligible for coverage.

(g) If an injury is covered by blanket accident and sickness insurance maintained by more than one TNC, the insurer of the TNC against whom a claim is filed is entitled to contribution for the pro rata share of coverage attributable to one or more other TNCs up to the coverages and limits in paragraph (d).

(h) Notwithstanding any law to the contrary, amounts paid or payable under the coverages required by section 65B.49, subdivisions 3a and 4a, shall be reduced by the total amount of benefits paid or payable under insurance provided pursuant to paragraph (d).

~~(d)~~ (i) If insurance maintained by the driver in paragraph (b) or (c) has lapsed or does not provide the required coverage, insurance maintained by a transportation network company shall provide the coverage required by this subdivision beginning with the first dollar of a claim and have the duty to defend the claim.

~~(e)~~ (j) Coverage under an automobile insurance policy maintained by the transportation network company shall not be dependent on a personal automobile insurer first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.

~~(f)~~ (k) Insurance required by this subdivision must satisfy the requirements of chapter 60A.

~~(g)~~ (l) Insurance satisfying the requirements of this subdivision shall be deemed to satisfy the financial responsibility requirements under the Minnesota No-Fault Automobile Insurance Act, sections 65B.41 to 65B.71.

~~(h)~~ (m) A transportation network company driver shall carry proof of coverage satisfying paragraphs (b) and (c) at all times during the driver's use of a vehicle in connection with a transportation network company's digital network. In the event of an accident, a transportation network company driver shall provide this insurance coverage information to the directly interested parties, automobile insurers, and investigating police officers upon request pursuant to section 65B.482, subdivision 1. Upon such request, a transportation network company driver shall also disclose to directly interested parties, automobile insurers, and investigating police officers whether the driver was logged on to the transportation network company's digital network or on a prearranged ride at the time of an accident.

**Subd. 3. Disclosure to transportation network company drivers.** The transportation network company shall disclose in writing to transportation network company drivers the following before they are allowed to accept a request for a prearranged ride on the transportation network company's digital network:

(1) the insurance coverage, including the types of coverage and the limits for each coverage under subdivision 2, paragraphs (b), (c), and (d), that the transportation network company provides while the transportation network company driver uses a personal vehicle in connection with a transportation network company's digital network;

(2) that the transportation network company driver's own automobile insurance policy might not provide any coverage while the driver is logged on to the transportation network company's digital network and is available to receive transportation requests or is engaged in a prearranged ride depending on its terms; and

(3) that using a vehicle with a lien against the vehicle to provide ~~transportation network services~~ prearranged rides may violate the transportation network driver's contract with the lienholder.

Subd. 4. **Automobile insurance provisions.** (a) Insurers that write automobile insurance in Minnesota may exclude any and all coverage afforded under the owner's insurance policy for any loss or injury that occurs ~~while a driver is logged on to a transportation network company's digital network or while a driver provides a prearranged ride during P1, P2, and P3.~~ This right to exclude all coverage may apply to any coverage included in an automobile insurance policy including, but not limited to:

- (1) liability coverage for bodily injury and property damage;
- (2) uninsured and underinsured motorist coverage;
- (3) basic economic loss benefits as defined under section 65B.44;
- (4) medical payments coverage;
- (5) comprehensive physical damage coverage; and
- (6) collision physical damage coverage.

These exclusions apply notwithstanding any requirement under the Minnesota No-Fault Automobile Insurance Act, sections 65B.41 to 65B.71. Nothing in this section implies or requires that a personal automobile insurance policy provide coverage ~~while the driver is logged on to the transportation network company's digital network, while the driver is engaged in a prearranged ride, or while the driver otherwise uses a vehicle to transport passengers for compensation during P1, P2, or P3.~~

Nothing in this section shall be deemed to preclude an insurer from providing coverage for the transportation network company driver's vehicle, if it so chooses to do so by contract or endorsement.

(b) Automobile insurers that exclude coverage as permitted in paragraph (a) shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this section shall be deemed to invalidate or limit an exclusion contained in a policy, including any policy in use or approved for use in Minnesota prior to May 19, 2015, that excludes coverage for vehicles used to carry persons or property for a charge or available for hire by the public.

(c) An automobile insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy as permitted in paragraph (a) shall have a right of contribution against other insurers that provide automobile insurance to the same driver in satisfaction of the coverage requirements of subdivision 2 at the time of loss.

(d) In a claims coverage investigation, transportation network companies and any insurer potentially providing coverage under subdivision 2 shall cooperate to facilitate the exchange of relevant information with directly involved parties and any insurer of the transportation network company driver if applicable, including the precise times that a transportation network company driver logged on and off of the transportation network company's digital network in the 12-hour period immediately preceding and in the 12-hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions, and limits provided under any automobile insurance maintained under subdivision 2.

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



Sec. 2. **[181C.01] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Deactivation.** "Deactivation" means a TNC blocking a driver's access to a digital network, suspending a driver, or changing a driver's status from eligible to ineligible to provide prearranged rides for a TNC for more than 12 hours, or more than 72 hours when the TNC must investigate a claim against a driver. Deactivation does not include a driver's loss of access to the digital network that is contingent on a driver's compliance with licensing, insurance, or regulatory requirements or that can be resolved through unilateral action by the driver. For the purposes of this chapter, "prearranged ride" has the meaning given in section 65B.472, subdivision 1.

Subd. 3. **Digital network.** "Digital network" has the meaning given in section 65B.472, subdivision 1.

Subd. 4. **Driver time periods.** "Driver time periods" are divided into three exclusive segments which have the following meanings:

(1) "period 1" or "P1" means the time when a driver is logged into a TNC application, but has not accepted a ride offer;

(2) "period 2" or "P2" means the time when a driver is proceeding to pick up a rider after choosing to accept a ride offer; and

(3) "period 3" or "P3" means the time when a driver is transporting a rider from a pickup location to a drop-off location.

Subd. 5. **Personal vehicle.** "Personal vehicle" has the meaning given in section 65B.472, subdivision 1.

Subd. 6. **Transportation network company.** "Transportation network company" or "TNC" has the meaning given in section 65B.472, subdivision 1.

Subd. 7. **Transportation network company driver.** "Transportation network company driver," "TNC driver," or "driver" has the meaning given in section 65B.472, subdivision 1.

Subd. 8. **Transportation network company rider.** "Transportation network company rider," "TNC rider," or "rider" has the meaning given in section 65B.472, subdivision 1.

Sec. 3. **[181C.02] NOTICE AND PAY TRANSPARENCY.**

Subdivision 1. **Compensation notice.** (a) Upon initial or subsequent account activation, and annually each year while a driver continues to maintain an account with the TNC, a TNC must provide written notice of compensation, or a compensation policy, if any, to each driver containing the following information:

(1) the right to legally required minimum compensation under section 181C.03;

(2) the frequency and manner of a driver's pay;

(3) the rights and remedies available to a driver for a TNC's failure to comply with legal obligations related to minimum compensation; and

(4) the driver's right to elect coverage of paid family and medical leave benefits, as provided under chapter 268B.

(b) Notice under this subdivision must be provided in written plain language and made available in English, Amharic, Arabic, Hmong, Oromo, Somali, and Spanish. TNCs operating in Minnesota must consider updating the languages in which they offer the notice each year.

(c) The TNC must provide notice to a driver in writing or electronically of any changes to the driver's compensation policy at least 48 hours before the date the changes take effect.

Subd. 2. **Assignment notice.** When a TNC alerts a driver of a possible assignment to transport a rider, the ride offer must be available for sufficient time for the driver to review, and the TNC must indicate:

(1) the estimated travel time and number of miles from the driver's current location to the pickup location for P2;

(2) the estimated travel time and number of miles for the trip for P3; and

(3) the estimated total compensation, before any gratuity.

Subd. 3. **Daily trip receipt.** Within 24 hours of each trip completion, the TNC must transmit a detailed electronic receipt to the driver containing the following information for each unique trip or portion of a unique trip:

(1) the date, pickup, and drop-off locations. In describing the pickup and drop-off locations, the TNC shall describe the location by indicating the specific block in which the pick-up and drop-off occurred;

(2) the time and total mileage traveled from pick up to drop off of a rider or riders for P3;

(3) the time and total mileage traveled from acceptance of the assignment to completion for P2 and P3;

(4) total fare or fee paid by the rider or riders; and

(5) total compensation to the driver, specifying:

(i) any applicable rate or rates of pay, any applicable price multiplier, or variable pricing policy in effect;

(ii) any gratuity; and

(iii) an itemized list of all tolls, fees, or other pass-throughs from the rider charged to the driver.

Subd. 4. **Weekly summary.** Each week, a TNC must transmit a weekly summary to a driver in writing or electronically containing the following information for the preceding calendar week:

(1) total time the driver logged into the TNC application;

(2) total time and mileage for P2 and P3 segments;

(3) total fares or fees paid by riders; and

(4) total compensation to the driver, including any gratuities.

Subd. 5. **Record keeping.** TNCs must maintain the trip receipts and weekly summaries required under this section for at least three years.

Sec. 4. **[181C.03] MINIMUM COMPENSATION.**

(a) Minimum compensation of a TNC driver under this paragraph must be adjusted annually as provided under paragraph (f) and must be paid in a per minute, per mile format, as follows:

(1) \$1.27 per mile and \$0.49 per minute for any transportation of a rider by a driver;

(2) if applicable, an additional \$0.91 per mile for any transportation of a rider by a driver in a vehicle that is subject to the requirements in sections 299A.11 to 299A.17, regardless of whether a wheelchair securement device is used;

(3) if a trip request is canceled by a rider or a TNC after the driver has already departed to pick up a rider, 80 percent of any cancellation fee paid by the rider; and

(4) at minimum, compensation of \$5.00 for any transportation of a rider by a driver.

(b) A TNC must pay a driver the minimum compensation required under this section over a reasonable earnings period not to exceed 14 calendar days. The minimum compensation required under this section guarantees a driver a certain level of compensation in an earnings period that cannot be reduced. Nothing in this section prevents a driver from earning, or a TNC from paying, a higher level of compensation.

(c) Any gratuities received by a driver from a rider or riders are the property of the driver and are not included as part of the minimum compensation required by this section. A TNC must pay the applicable driver all gratuities received by the driver in an earnings period no later than the driver's next scheduled payment.

(d) For each earnings period, a TNC must compare a driver's earnings, excluding gratuities, against the required minimum compensation for that driver during the earnings period. If the driver's earnings, excluding gratuities, in the earnings period are less than the required minimum compensation for that earnings period, the TNC must include an additional sum accounting for the difference in the driver's earnings and the minimum compensation no later than during the next earnings period.

(e) A TNC that uses software or collection technology to collect fees or fares must pay a driver the compensation earned by the driver, regardless of whether the fees or fares are actually collected.

(f) Beginning January 1, 2026, and each January 1 thereafter, the minimum compensation required under paragraph (a) must be adjusted annually by the same process as the statewide minimum wage under section 177.24, subdivision 1.

Sec. 5. **[181C.04] DEACTIVATION.**

Subdivision 1. **Deactivation policy; requirements.** (a) A TNC must maintain a written plain-language deactivation policy that provides the policies and procedures for deactivation. The TNC must make the deactivation policy available online and through the TNC's digital platform. Updates or changes to the policy must be provided to drivers at least 48 hours before the update or change goes into effect.

(b) The deactivation policy must be provided in English, Amharic, Arabic, Hmong, Oromo, Somali, and Spanish. TNCs operating in Minnesota must consider updating the languages in which they offer the deactivation policy each year.

(c) The deactivation policy must:

(1) state that the deactivation policy is enforceable as a term of the TNC's contract with a driver;

(2) provide drivers with a reasonable understanding of the circumstances that constitute a violation that may warrant deactivation under the deactivation policy and indicate the consequences known, including the specific number of days or range of days for a deactivation if applicable;

(3) describe fair and reasonable procedures for notifying a driver of a deactivation and the reason for the deactivation;

(4) describe fair, objective, and reasonable procedures and eligibility criteria for the reconsideration of a deactivation decision and the process by which a driver may request a deactivation appeal with the TNC, consistent with subdivision 5; and

(5) be specific enough for a driver to understand what constitutes a violation of the policy and how to avoid violating the policy.

(d) Serious misconduct must be clearly defined in the TNC deactivation policy.

Subd. 2. **Prohibitions for deactivation.** A TNC must not deactivate a driver for:

(1) a violation not reasonably understood as part of a TNC's written deactivation policy;

(2) a driver's ability to work a minimum number of hours;

(3) a driver's acceptance or rejection of a ride, as long as the acceptance or rejection is not for a discriminatory purpose;

(4) a driver's good faith statement regarding compensation or working conditions made publicly or privately; or

(5) a driver asserting their legal rights under any local, state, or federal law.

Subd. 3. **Written notice and warning.** (a) The TNC must provide notice at the time of the deactivation or, for deactivations based on serious misconduct, notice within three days of the deactivation. A written notice must include:

(1) the reason for deactivation;

(2) anticipated length of the deactivation, if known;

(3) the day the deactivation started;

(4) an explanation of whether or not the deactivation can be reversed and clear steps for the driver to take to reverse a deactivation;

(5) instructions for a driver to challenge the deactivation and information on their rights under the appeals process provided under subdivision 5; and

(6) a notice that the driver has a right to assistance and information on how to contact a driver advocacy group as provided in subdivision 4 to assist in the deactivation appeal process, including the telephone number and website information for one or more driver advocacy groups.

(b) The TNC must provide a warning to a driver if the driver's behavior could result in a future deactivation. A TNC does not need to provide a warning for behavior that constitutes serious misconduct.

Subd. 4. **Driver advocacy organizations.** (a) A TNC must contract with a driver's advocacy organization to provide services to drivers under this section. A driver advocacy group identified in the notice must be an independent, not-for-profit organization operating without excessive influence from the TNC. The TNC must not have any control or influence over the day-to-day operations of the advocacy organization or the organization's staff or management or have control or influence over who receives assistance on specific cases or how assistance is provided in a case. The organization must have been established and operating in Minnesota continuously for at least two years and be capable of providing culturally competent driver representation services, outreach, and education.

(b) The driver advocacy groups must provide, at no cost to the drivers, assistance with:

(1) deactivation appeals;

(2) education and outreach to drivers regarding the drivers' rights and remedies available to them under the law; and

(3) other technical or legal assistance on issues related to providing services for the TNC and riders.

Subd. 5. **Request for appeal.** (a) The deactivation policy must provide the driver with an opportunity to appeal the deactivation upon receipt of the notice and an opportunity to provide information to support the request. An appeal process must provide the driver with no less than 30 days to appeal the deactivation and allow the driver to have the support of an advocate or attorney.

(b) A TNC must review and rule on the appeal within 15 days from the receipt of the requested appeal and information to support the request. A TNC may use a third party to assist with appeals.

(c) The TNC must consider any information presented by the driver under the appeal process. For a deactivation to be upheld, there must be evidence under the totality of the circumstances to find that it is more likely than not that a rule violation subjecting the driver to deactivation has occurred.

(d) This section does not affect deactivations for economic reasons or during a public state of emergency that are not targeted at a particular driver or drivers.

(e) When an unintentional deactivation of an individual driver occurs due to a purely technical issue and is not caused by any action or fault of the driver, the driver, upon request, must be provided reasonable compensation for the period of time the driver was not able to accept rides through the TNC capped at a maximum of 21 days. For the purposes of this paragraph, "reasonable compensation" means compensation for each day the driver was deactivated using the driver's daily average in earnings from the TNC for the 90 days prior to the deactivation.

Subd. 6. **Prior deactivations.** Consistent with the deactivation policy created under this section, a driver who was deactivated after January 1, 2021, but before November 1, 2024, and who has not been reinstated may request an appeal of the deactivation under this section, if the driver provides notice of the appeal within 90 days of the date of enactment. The TNC may take up to 90 days to issue a final decision.

**EFFECTIVE DATE.** This section is effective November 1, 2024, and applies to deactivations that occur on or after that date except as provided in subdivision 6.

Sec. 6. **[181C.05] ENFORCEMENT.**

(a) The commissioner may issue an order under section 177.27, subdivision 4, requiring a TNC to comply with sections 181C.02 and 181C.03 under section 177.27, subdivision 4.

(b) A contract provision already in or added to the contract between a TNC and a driver that violates this chapter is void and unenforceable. A driver may bring an action in district court if a provision of a contract between a TNC and a driver violates this chapter.

(c) A TNC must not retaliate against or discipline a driver for (1) raising a complaint under this chapter, or (2) pursuing enactment or enforcement of this chapter. A TNC must not give less favorable or more favorable rides to a driver for making public or private comments supporting or opposing working conditions or compensation at a TNC.

Sec. 7. **[181C.06] DISCRIMINATION PROHIBITED.**

(a) A TNC must not discriminate against a TNC driver or a qualified applicant to become a driver, due to race, national origin, color, creed, religion, sex, disability, sexual orientation, marital status, or gender identity. Nothing in this section prohibits providing a reasonable accommodation to a person with a disability, for religious reasons, due to pregnancy, or to remedy previous discriminatory behavior.

(b) A TNC driver injured by a violation of this section is entitled to the remedies under sections 363A.28 to 363A.35.

Sec. 8. **[181C.07] COLLECTIVE BARGAINING; EMPLOYMENT STATUS.**

Notwithstanding any law to the contrary, nothing in this chapter prohibits collective bargaining or must be construed to alter whether a TNC is an employer of a TNC driver or whether a TNC driver is an employee.

Sec. 9. **[181C.08] ARBITRATION; REQUIREMENTS.**

(a) A TNC must provide a driver with the option to opt out of arbitration.

(b) The rights and remedies established in this chapter must be the governing law in an arbitration between a driver operating in Minnesota and a TNC. The application of the rights and remedies available under chapter 181C cannot be waived by a driver prior to or at the initiation of an arbitration between a driver and a TNC. Arbitration with a Minnesota driver should use Minnesota as the venue, but an arbitration that cannot take place in the state of Minnesota must allow the driver to appear via phone or other electronic means and apply the rights and remedies available under chapter 181C. Arbitrators must be jointly selected using the list provided by the Minnesota Supreme Court for alternative dispute resolution. Consistent with the rules and guidelines provided by the American Arbitrators Association, if the parties are unable to agree on an arbitrator through this selection process, the case manager may administratively appoint the arbitrator or arbitrators.

(c) Contracts that have already been executed must have an addendum provided to each driver that includes a copy of this chapter and notice that a driver may elect to pursue the remedies provided in this chapter.

Sec. 10. **[181C.09] REVOCATION OF LICENSE.**

A local unit of government may refuse to issue a license or may revoke a license and right to operate issued to a TNC by the local unit of government for a TNC's failure to comply with the requirements of this chapter.

Sec. 11. **APPROPRIATION.**

\$173,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of labor and industry for the purposes of enforcement, education, and outreach of Minnesota Statutes, sections 181C.02 and 181C.03. Beginning in fiscal year 2026, the base amount is \$123,000 each fiscal year."

Delete the title and insert:

"A bill for an act relating to labor; regulating transportation network companies; providing a civil cause of action; appropriating money; amending Minnesota Statutes 2022, section 65B.472; proposing coding for new law as Minnesota Statutes, chapter 181C."

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

The report was adopted.

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

H. F. No. 5162, A bill for an act relating to capital investment; authorizing spending to acquire and better land and buildings and for other improvements of a capital nature with certain conditions; establishing and modifying programs; canceling prior appropriations; appropriating money; amending Minnesota Statutes 2022, sections 16A.86, subdivisions 3a, 4; 16B.325, as amended; 16B.335, subdivision 4; Minnesota Statutes 2023 Supplement, section 174.38, subdivision 3; Laws 2023, chapter 71, article 1, section 6, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 144; 473.

Reported the same back with the following amendments:

Page 2, line 14, delete "23,025,000" and insert "23,425,000"

Page 2, line 19, delete "5,050,000" and insert "10,050,000"

Page 3, after line 6, insert:

<p><b><u>"Subd. 4. City of St. Paul; Planning and Economic Development</u></b></p>	<p><u>5,000,000</u></p>
--	-------------------------

(a) For a grant to the city of St. Paul Department of Planning and Economic Development to improve the livability, economic health, and safety of communities within the Capitol Area. The city of St. Paul must consult with the Capitol Area Architectural and Planning Board prior to the expenditure of these funds.

(b) On or before October 1, 2025, the city of St. Paul and the Capitol Area Architectural and Planning Board must jointly report to the speaker of the house, the majority leader of the senate, the house minority leader, and the senate minority leader on the expenditure of the funds appropriated under this section."

Page 3, line 7, delete "4,080,000" and insert "3,780,000"

Page 3, line 10, delete everything after the period

Page 3, line 11, delete everything before "this"

Page 3, line 12, delete everything before "ash" and insert "is for removal and replacement of"

Page 3, delete section 6

Page 5, line 28, delete "and"

Page 5, after line 28, insert:

"(9) whether the political subdivision has a capital improvement plan process that meets the criteria for exemption under section 16B.336, subdivision 5, paragraph (b); and"

Page 5, line 29, delete "(9)" and insert "(10)"

Page 8, line 3, before "space" insert "the"

Page 8, line 6, delete everything after "means" and insert "major renovation of a building or construction of a new building that meets the requirements under this section."

Page 8, delete line 7

Page 9, line 23, delete "(a)"

Page 9, delete lines 27 to 29

Page 10, line 20, after "for" insert "assistance with" and delete "subdivision 5" and insert "this subdivision and subdivisions 5 to 9"

Page 12, line 7, delete everything after "process" and insert "; and"

Page 12, delete line 8

Page 12, line 9, delete "; and" and insert a period

Page 12, delete lines 10 and 11

Page 12, line 26, before "year" insert "odd-numbered"

Page 13, line 15, delete "REPLACEMENT" and insert "PRESERVATION"

Page 13, after line 22, insert:

"(d) "Capital project grant agreement" means a grant agreement for a capital project subject to section 16A.642, 16A.695, or 16A.86, and funded in whole or in part by a direct appropriation of state money."

Reletter the paragraphs in sequence

Page 13, line 27, delete "Replacement" and insert "Preservation"

Page 13, line 29, delete "replacement" and insert "preservation"

Page 14, line 6, delete "replacement" and insert "preservation"

Page 14, line 7, delete "replacement" and insert "preservation"



Page 14, line 9, delete "replacement" and insert "preservation"

Page 14, line 19, delete "replacement" and insert "preservation"

Page 14, line 23, delete "replacement" and insert "preservation"

Page 14, line 25, delete "replacement" and insert "preservation"

Page 14, line 27, delete "replacement" and insert "preservation"

Page 14, line 28, delete everything before "any"

Page 14, line 29, delete "replacement" and insert "preservation"

Page 14, line 33, delete everything after the first "capital" and insert "assets and future capital projects, including those subject to section 16A.642, 16A.695, or 16A.86, through an annual capital improvement plan process and publishes an annual capital improvement plan document that forecasts at least ten years of known capital projects for use in budget forecasting to enhance long-term financial stability."

Page 15, delete lines 1 and 2

Page 15, line 3, after "that" insert ", in the year the capital project grant agreement is entered into."

Page 15, line 10, after the period, insert "Failure of a grantee to comply with the requirements of this section shall not constitute an event of default under a capital project grant agreement."

Page 15, delete section 7

Page 16, after line 28, insert:

"(b) "Metropolitan area" has the meaning given under section 473.121, subdivision 2."

Reletter the paragraphs in sequence

Page 17, line 6, before "and" insert "owners of private property in the metropolitan area."

Page 17, line 18, delete "or blocks" and insert "group"

Page 17, line 19, delete "of 70 percent or greater" and insert "in the 70th percentile or higher within the state of Minnesota"

Page 17, line 25, before "and" insert "owners of private property in the metropolitan area."

Page 19, after line 7, insert:

"Sec. 11. **CAPITOL MALL DESIGN FRAMEWORK IMPLEMENTATION.**

Notwithstanding Laws 2023, chapter 62, article 1, section 11, subdivision 2, the appropriation to implement the updated Capitol Mall Design Framework is available until June 30, 2025.

Sec. 12. **REPEALER.**

Laws 2023, chapter 53, article 17, section 2, is repealed."

Renumber the sections in sequence

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. 5220, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying and canceling prior appropriations; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2023 Supplement, sections 256E.37, subdivision 1; 462A.395; 473.5491, subdivisions 1, 2, 4; Laws 2023, chapter 71, article 1, section 14, subdivision 21; proposing coding for new law in Minnesota Statutes, chapters 16B; 84; 115B; 144; 446A; 473; repealing Minnesota Statutes 2022, sections 16A.662; 116J.417, subdivision 9.

Reported the same back with the following amendments:

Page 2, line 18, delete "64,000,000" and insert "40,000,000"

Page 2, delete subdivision 2 and insert:

**"Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)**

40,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

This appropriation must be used to fully fund improvements and betterments of a capital nature required to complete the following projects:

(1) critical utility infrastructure improvements for the heating plant on the Crookston campus;

(2) the repair or replacement of the HVAC system in the Library Annex facility on the Duluth campus and other capital improvements to comply with federal, state, and local building code requirements;

(3) improvements to the Multi-Ethnic Resource Center, originally constructed in 1899, on the Morris campus; and

(4) the replacement of the pedestrian enclosure and suicide deterrent barriers on the Washington Avenue Pedestrian Bridge on the Twin Cities campus. The board must consult with persons impacted by suicide at this bridge, suicide prevention organizations, and experts in the field of suicide prevention in designing the project."

Page 3, line 24, delete "64,000,000" and insert "40,000,000"

Page 3, line 29, delete "64,000,000" and insert "40,000,000"

Page 3, line 32, delete "302,699,000" and insert "382,121,000"

Page 4, line 1, before "To" insert "(a)"

Page 4, after line 3, insert:

"(b) Of this amount, \$1,000,000 is for a grant to the city of Clara City to predesign, design, construct, furnish, and equip a new library building."

Page 4, line 5, delete "7,500,000" and insert "1,227,000"

Page 4, line 8, delete "3,000,000" and insert "1,227,000"

Page 4, delete subdivision 3

Page 4, line 20, delete "4,000,000" and insert "1,000,000"

Page 4, line 27, delete "65,500,000" and insert "48,400,000"

Page 5, line 6, delete "20,000,000" and insert "15,000,000"

Page 5, delete subdivision 3 and insert:

**"Subd. 3. Badoura State Forest Nursery**

18,000,000

To predesign, design, and construct facility capital improvements and associated facility components at the Badoura State Forest Nursery."

Page 5, line 29, delete "3,000,000" and insert "5,000,000"

Page 6, line 21, delete "8,000,000" and insert "6,000,000"

Page 6, line 25, delete "2,500,000" and insert "2,400,000"

Page 7, line 12, delete "12,000,000" and insert "8,000,000"

Page 7, line 16, delete "4,000,000" and insert "8,000,000"

Page 7, delete subdivision 3

Page 7, line 24, delete "9,862,000" and insert "6,500,000"

Page 7, line 28, delete "3,862,000" and insert "2,500,000"

Page 8, line 20, delete "6,000,000" and insert "4,000,000"

Page 9, line 14, delete "32,344,000" and insert "27,844,000"

Page 9, delete lines 18 to 22 and insert:

"To design, construct, and equip improvements to bring a portion of the tunnel under Rev. Dr. Martin Luther King Jr. Boulevard and to the east to the State Capitol into compliance with the Americans with Disabilities Act."

Page 10, line 11, delete "8,000,000" and insert "3,500,000"

Page 10, line 17, delete everything after "nature" and insert "within the Capitol Area."

Page 10, line 18, delete everything before "consistent"

Page 10, line 21, delete everything after the period

Page 10, delete lines 22 to 24

Page 10, line 26, delete "9,226,000" and insert "7,000,000"

Page 10, line 30, delete "9,226,000" and insert "6,000,000"

Page 11, after line 2, insert:

"Subd. 3. **Mighty Ducks** 1,000,000

For grants to local government units under Minnesota Statutes, section 240A.09, paragraph (b), for projects that eliminate R-22."

Page 11, line 23, delete "45,700,000" and insert "94,621,000"

Page 11, line 27, delete "37,700,000" and insert "35,000,000"

Page 11, line 31, delete "8,000,000" and insert "3,000,000"

Page 12, after line 4, insert:

"Subd. 4. **Local Bridge Replacement and Rehabilitation** 20,000,000

From the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

**Subd. 5. Local Road Improvement Fund Grants****36,621,000**

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for eligible trunk highway corridor improvement projects under Minnesota Statutes, section 174.52, subdivision 2; for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4; or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a. Of this appropriation, \$5,000,000 is for projects on town roads."

Page 12, line 6, delete "31,000,000" and insert "14,125,000"

Page 12, line 10, delete "15,000,000" and insert "10,000,000"

Page 12, line 13, delete "8,000,000" and insert "4,125,000"

Page 12, delete lines 22 to 24

Page 12, line 26, delete "20,266,000" and insert "12,500,000"

Page 12, line 30, delete "12,266,000" and insert "8,000,000"

Page 13, line 12, delete "8,000,000" and insert "4,500,000"

Page 13, delete section 18

Page 13, line 22, delete "28,857,000" and insert "25,045,000"

Page 13, line 25, delete "12,812,000" and insert "9,000,000"

Page 14, line 7, delete "114,024,000" and insert "86,585,000"

Page 14, line 10, delete "60,000,000" and insert "40,000,000"

Page 14, delete subdivision 4

Renumber the subdivisions in sequence

Page 15, line 26, delete "57,000,000" and insert "100,011,000"

Page 16, line 3, delete "8,000,000" and insert "35,484,000"

Page 16, lines 7 and 11, delete "\$4,000,000" and insert "\$17,742,000"

Page 16, after line 21, insert:

**"Subd. 4. Point Source Implementation Grants Program**

**18,527,000**

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects."

Renumber the subdivisions in sequence

Page 16, line 23, delete "10,000,000" and insert "7,000,000"

Page 16, line 29, delete "36,500,000" and insert "14,500,000"

Page 17, line 1, delete "32,000,000" and insert "10,000,000"

Page 17, line 26, delete "5,588,000" and insert "6,588,000"

Page 18, after line 2, insert:

**"Subd. 3. County and Local Preservation Grants**

**1,000,000**

For grants to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525."

Page 18, line 10, before the period, insert ". to facilitate the university's goal of returning this land to the Fond du Lac Band of Lake Superior Chippewa"

Page 18, line 15, delete "all"

Page 18, line 28, delete "\$947,550,000" and insert "\$898,629,000"

Page 18, line 33, delete "\$37,700,000" and insert "\$86,621,000"

Page 21, line 23, delete "or blocks" and insert "group"

Page 21, line 24, delete "of 70 percent or greater" and insert "in the 70th percentile or higher within the state of Minnesota"

Page 22, line 12, delete "or blocks" and insert "group"

Page 22, line 13, delete "of 70 percent or greater" and insert "in the 70th percentile or higher within the state of Minnesota"

Page 23, line 5, delete "transferred to" and insert "deposited by" and after "commissioner" insert "in the statewide drinking water contamination mitigation account in the special revenue fund for the purpose of funding additional projects under this section."

Page 23, delete line 6

Page 23, delete section 4

Page 25, line 20, delete "or blocks" and insert "group"

Page 25, line 21, delete "of 70 percent or greater" and insert "in the 70th percentile or higher within the state of Minnesota"

Page 27, delete section 8

Page 29, lines 14 and 21, delete "or blocks" and insert "group"

Page 29, lines 15 and 22, delete "of 70 percent or greater" and insert "in the 70th percentile or higher within the state of Minnesota"

Page 30, line 4, before the period, insert "to facilitate the university's goal of returning this land, and similarly situated land currently owned by the university, to the Fond du Lac Band of Lake Superior Chippewa"

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 5162 and 5220 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Lawrence introduced:

H. F. No. 5462, A bill for an act relating to capital investment; appropriating money to replace an old, antiquated community wastewater facility in Baldwin Township with a new wastewater treatment plant to address environmental and human health issues; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Clardy and Virnig introduced:

H. F. No. 5463, A bill for an act relating to natural resources; appropriating money for grants for accessible school playgrounds; requiring a report.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Hussein introduced:

H. F. No. 5464, A bill for an act relating to economic development; establishing the Rondo Restorative Development Authority for the operations of a land bridge in the Rondo neighborhood of St. Paul; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy.

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 Speaker pro tempore Her.

Pelowski was excused for the remainder of today's session.

#### 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 Monday, May 13, 2024 and established a prefiling requirement for amendments offered to the following bills:

S. F. No. 37; and H. F. Nos. 3276 and 4657.

#### CALENDAR FOR THE DAY

H. F. No. 5246 was reported to the House.



Feist moved to amend H. F. No. 5246, the second engrossment, as follows:

Page 1, delete lines 13 to 19

Page 2, delete lines 1 to 17 and insert:

"(d) "Participating county" means a county that meets the requirements of subdivision 2. "

Page 2, after line 20, insert:

"Subd. 2. **Requirements of participating counties.** If a county elects to participate in the settlement, or is deemed to elect to participate in the settlement under subdivision 4, the county must agree:

(1) to provide the claims administrator administering the settlement with all public property tax records reasonably necessary to effectuate the settlement agreement by August 1, 2024;

(2) to make a good faith effort to sell all properties that forfeited between the applicable start date and December 31, 2023, other than those that are classified as conservation lands, those that are part of a rehabilitation program, and those in which title is no longer held in trust by the state of Minnesota for taxing districts;

(3) that for any sale made under clause (2):

(i) the county will conduct an auction of the property, either in person or online; list the property through a private broker; or, if the property meets the criteria in Minnesota Statutes, section 282.01, subdivision 7a, sell the property pursuant to that subdivision;

(ii) the sale will be for no less than its appraised value;

(iii) the sale will be for cash only and not on terms; and

(iv) notwithstanding any provision of Minnesota Statutes, chapter 282, to the contrary, for any property sold on or after the effective date of this section, 75 percent of the proceeds of any sale on or before June 30, 2027, and 85 percent of the proceeds of any sale on or after July 1, 2027, and on or before June 30, 2029, will be remitted to the commissioner for deposit in the general fund and the remaining proceeds will be retained by the county to be used for any permissible purpose; and

(4) that any properties subject to sale under clause (2) that remain unsold on June 30, 2029, must continue to be managed under the laws governing tax-forfeited lands until they are disposed of under those laws."

Page 2, line 22, delete "1, paragraph (d)."

Page 2, line 23, delete "clause (4)" and insert "2, clause (3)"

Page 3, line 12, delete "1, paragraph (d), clause (4)" and insert "2, clause (3)"

Renumber the subdivisions in sequence

The motion prevailed and the amendment was adopted.

H. F. No. 5246, A bill for an act relating to state finance; establishing a tax-forfeited lands settlement account; transferring money; requiring reports; appropriating money.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

H. F. No. 4984, A memorial resolution requesting the Joint Committee on the Library of Congress of the United States Congress to approve replacement of the statue of Henry Mower Rice now on display in National Statuary Hall in the Capitol of the United States.

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 98 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Agbaje	Becker-Finn	Carroll	Dotseth	Finke	Frederick
Anderson, P. E.	Berg	Cha	Edelson	Fischer	Freiberg
Anderson, P. H.	Bierman	Clardy	Elkins	Fogelman	Garofalo
Bahner	Brand	Coulter	Engen	Franson	Gomez
Baker	Burkel	Curran	Feist	Frazier	Greenman

Grossell	Huot	Lee, F.	Newton	Rarick	West
Hansen, R.	Hussein	Lee, K.	Niska	Rehm	Wiens
Hanson, J.	Igo	Liebling	Noor	Reyer	Witte
Harder	Jordan	Lillie	Norris	Scott	Wolgamott
Hassan	Keeler	Lislegard	Novotny	Sencer-Mura	Xiong
Hemmingsen-Jaeger	Kiel	Long	O'Driscoll	Skraba	Youakim
Her	Klevorn	McDonald	Olson, L.	Smith	Zelevnikar
Hicks	Koegel	Moller	Pérez-Vega	Stephenson	Spk. Hortman
Hill	Kotyza-Witthuhn	Myers	Petersburg	Tabke	
Hollins	Kozlowski	Nash	Pinto	Urdahl	
Hornstein	Kraft	Nelson, M.	Pryor	Vang	
Howard	Lawrence	Nelson, N.	Pursell	Virnig	

Those who voted in the negative were:

Altendorf	Gillman	Knudsen	Murphy	Schomacker
Backer	Heintzeman	Koznick	Neu Brindley	Schultz
Bennett	Jacob	Kresha	Olson, B.	Swedzinski
Davis	Johnson	Mekeland	Perryman	Torkelson
Demuth	Joy	Mueller	Pfarr	Wiener

The bill was passed and its title agreed to.

S. F. No. 4699 was reported to the House.

Bierman moved to amend S. F. No. 4699, the unofficial engrossment, as follows:

Page 321, after line 9, insert:

"Sec. 9. Minnesota Statutes 2022, section 383B.908, subdivision 7, is amended to read:

Subd. 7. **Dissolution or reorganization of corporation.** (a) The county board shall retain the right to dissolve the corporation, reorganize the corporation, or remove the majority of or the entire corporate board in order to resume management of Hennepin County Medical Center upon: (1) a two-thirds vote of the entire county board; and (2) identification of one or more of the following: (i) a crime committed by the corporate board; (ii) a violation by the corporate board of ethical and legal duties as specified in section 383B.905; or (iii) repeated failure by the corporate board to act in the best interests of the corporation.

(b) The county board must comply with subdivision 8 before taking any action to dissolve the corporation, reorganize the corporation, or remove the majority of or the entire corporate board.

Sec. 10. Minnesota Statutes 2022, section 383B.908, is amended by adding a subdivision to read:

Subd. 8. **Investigation.** (a) The county board must conduct a formal investigation into the acts identified by the county board under subdivision 7, paragraph (a), before taking any action to dissolve the corporation, reorganize the corporation, or remove the majority of or the entire corporate board. As part of the formal investigation, the county board must:

(1) at least 90 business days before taking any action to dissolve the corporation, reorganize the corporation, or remove the majority of or the entire corporate board, provide notice to the corporate board of the county board's proposed action and identify the specific acts that constitute grounds for the proposed action;

(2) accept a response from the corporate board, within 45 business days after the corporate board receives the notice and information required under clause (1), to the allegations by the county board. In its response, the corporate board may present any mitigating factors or defenses to the allegations; and

(3) assess the legal and practical implications of the proposed action, including how the proposed action would affect obligations to creditors; existing contracts; outstanding bond obligations; accredited programs and services; research and education commitments; reimbursements; regulatory requirements; clinical care and patients, especially patients covered by public programs who have complicated care needs; other providers and health systems; and critical statewide services such as the Minnesota Poison Control System and the emergency preparedness resources hub.

(b) Following the formal investigation, the county board must evaluate the results of the investigation and must develop a written plan detailing the procedures for the proposed action in a manner that provides continuity and minimal disruption to the items in paragraph (a), clause (3). The county board must hold a public hearing on the plan and must provide an opportunity for public testimony at the hearing. The county board may implement the proposed action only if it finds there is sufficient evidence to support a finding of a crime committed by the corporate board, a violation by the corporate board of ethical and legal duties as specified in section 383B.905, or repeated failure by the corporate board to act in the best interests of the corporation to warrant taking the proposed action.

Sec. 11. Minnesota Statutes 2022, section 383B.922, is amended to read:

**383B.922 LEGAL COUNSEL.**

Subdivision 1. Hennepin County attorney. With respect to the provisions of section 388.051, the corporation shall be deemed a part of Hennepin County for purposes of the Hennepin County attorney serving as legal counsel to the corporation; provided, however, that the corporation and the Hennepin County attorney may enter into an arrangement with respect to the hiring of outside counsel on behalf of the corporation. The corporation shall reimburse the county for legal services provided by the Hennepin County attorney, including any and all costs, and the reimbursement shall be credited to the budget of the Hennepin County attorney.

Subd. 2. Separate legal counsel; investigation. Notwithstanding subdivision 1, upon written notification to the county board, the corporate board may hire separate legal counsel to represent the corporate board and the corporation in matters related to an investigation under section 383B.908, subdivision 8. Approval from the county board or the Hennepin County attorney is not required."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Neu Brindley moved to amend the Bierman amendment to S. F. No. 4699, the unofficial engrossment, as follows:

Page 1, line 22, after "board" insert "and to the commissioner of health"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Bierman amendment, as amended, to S. F. No. 4699, the unofficial engrossment. The motion prevailed and the amendment, as amended, was adopted.

Liebling moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 189, line 20, after "governor" insert ". At least one of the public members must reside outside the metropolitan counties listed in section 473.121, subdivision 4"

Page 189, line 28, delete the first "one member" and insert "two members" and delete the second "one member" and insert "two members"

Page 190, line 1, after "house" insert "and the house minority leader" and after "must" insert "each"

Page 190, line 2, delete everything after "council" and insert ". The senate majority leader and the senate minority leader"

Page 190, line 3, after "must" insert "each"

The motion prevailed and the amendment was adopted.

Zelevnikar moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 172, after line 5, insert:

"Sec. 28. Minnesota Statutes 2023 Supplement, section 144.651, subdivision 10a, is amended to read:

Subd. 10a. **Designated support person for pregnant patient or other patient.** (a) Subject to paragraph (c), a health care provider and a health care facility must allow, at a minimum, one designated support person ~~of a pregnant patient's choosing~~ chosen by a patient, including but not limited to a pregnant patient, to be physically present while the patient is receiving health care services including during a hospital stay.

(b) For purposes of this subdivision, "designated support person" means any person chosen by the patient to provide comfort to the patient including but not limited to the patient's spouse, partner, family member, or another person related by affinity. Certified doulas and traditional midwives may not be counted toward the limit of one designated support person.

(c) A facility may restrict or prohibit the presence of a designated support person in treatment rooms, procedure rooms, and operating rooms when such a restriction or prohibition is strictly necessary to meet the appropriate standard of care. A facility may also restrict or prohibit the presence of a designated support person if the designated support person is acting in a violent or threatening manner toward others. Any restriction or prohibition of a designated support person by the facility is subject to the facility's written internal grievance procedure required by subdivision 20."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Nadeau moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 66, line 4, delete "and" and before the period, insert "; and 62M.18" and after the period, insert "The commissioner shall comply with the requirements of section 62M.18 using existing appropriations."

The motion prevailed and the amendment was adopted.

Baker moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 298, line 30, after "conditions" insert "or short-term illness"

Page 298, line 33, after the period, insert "In such circumstances, a qualified professional must not provide a residential group treatment service by telehealth from a location away from the licensed residential location for more than three consecutive days and must document the reason for providing the remote telehealth service in the records of clients receiving the service."

The motion prevailed and the amendment was adopted.

Reyer moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 61, line 17, strike "or"

Page 61, line 18, after the comma, insert "or an entity which is not a nonprofit corporation organized under chapter 317A or a local governmental unit and which holds a certificate of authority under sections 62D.01 to 62D.30 as of June 1, 2024,"

Page 62, after line 12, insert:

"Sec. 8. Minnesota Statutes 2022, section 62D.03, is amended by adding a subdivision to read:

Subd. 1a. **Certificate of authority; for-profit corporation.** The commissioner of health must not issue a new certificate of authority to an entity to operate a health maintenance organization unless the entity is a nonprofit corporation organized under chapter 317A or a local governmental unit."

Page 62, line 16, after the period, insert "An entity that: (1) is not a nonprofit corporation organized under chapter 317A or a local governmental unit; and (2) holds a certificate of authority under sections 62D.01 to 62D.30 as of June 1, 2024, may continue to operate as a health maintenance organization for as long as the corporation holds a certificate of authority."

Page 62, delete section 9

Page 63, line 21, delete the comma and insert "; for nonprofit health maintenance organizations."

Page 63, line 22, delete the comma and insert a semicolon

Page 65, delete section 16

Page 106, delete section 69

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to rule 2.05, Edelson was excused from voting on the Reyer amendment to S. F. No. 4699, the unofficial engrossment, as amended.

The motion prevailed and the amendment was adopted.

Schomacker moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 106, after line 14, insert:

"Sec. 68. **CHANGES TO PRIOR AUTHORIZATION REQUIREMENTS.**

If implementation of changes in this act to Minnesota Statutes, chapter 62M by the commissioner of Minnesota Management and Budget and the commissioner of human services results in additional agency costs above the amounts appropriated for that purpose in this act, the commissioner of Minnesota Management and Budget shall not include these additional costs in the next budget forecast as a forecasted expenditure, and shall not increase enrollee premiums under the State Employees Group Insurance Program under Minnesota Statutes, section 43A.24 to cover these additional costs. These additional costs must be paid for out of existing appropriations to the commissioner of Minnesota Management and Budget and the commissioner of human services, or out of existing appropriations to the applicable state agency for employee health insurance coverage under Minnesota Statutes, section 43A.24."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schomacker amendment and the roll was called. There were 59 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Bennett	Fogelman	Heintzeman	Kiel	Mekeland
Anderson, P. E.	Burkel	Franson	Hudson	Knudsen	Mueller
Anderson, P. H.	Davis	Garofalo	Igo	Koznick	Murphy
Backer	Demuth	Gillman	Jacob	Kresha	Myers
Bakeberg	Dotseth	Grossell	Johnson	Lawrence	Nadeau
Baker	Engen	Harder	Joy	McDonald	Nash

Nelson, N.	O'Driscoll	Pfarr	Schultz	Torkelson	Wiens
Neu Brindley	Olson, B.	Quam	Scott	Urdahl	Witte
Niska	Perryman	Rarick	Skraba	West	Zelevnikar
Novotny	Petersburg	Schomacker	Swedzinski	Wiener	

Those who voted in the negative were:

Agbaje	Feist	Her	Kotzya-Witthuhn	Noor	Tabke
Bahner	Finke	Hicks	Kozlowski	Norris	Vang
Becker-Finn	Fischer	Hill	Kraft	Olson, L.	Virmig
Berg	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Brand	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	
Edelson	Hassan	Klevorn	Nelson, M.	Smith	
Elkins	Hemmingsen-Jaeger	Koegel	Newton	Stephenson	

The motion did not prevail and the amendment was not adopted.

Perryman moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 115, line 10, delete "must" and insert "may"

A roll call was requested and properly seconded.

The question was taken on the Perryman amendment and the roll was called. There were 60 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	Novotny	Scott
Anderson, P. E.	Engen	Jacob	Mueller	O'Driscoll	Skraba
Anderson, P. H.	Fogelman	Johnson	Murphy	Olson, B.	Swedzinski
Backer	Franson	Joy	Myers	Perryman	Torkelson
Bakeberg	Garofalo	Kiel	Nadeau	Petersburg	Urdahl
Baker	Gillman	Knudsen	Nash	Pfarr	West
Bennett	Grossell	Koznick	Nelson, N.	Quam	Wiener
Burkel	Harder	Kresha	Neu Brindley	Rarick	Wiens
Davis	Heintzeman	Lawrence	Newton	Schomacker	Witte
Demuth	Hudson	McDonald	Niska	Schultz	Zelevnikar

Those who voted in the negative were:

Agbaje	Carroll	Elkins	Freiberg	Hemmingsen-Jaeger	Howard
Bahner	Cha	Feist	Gomez	Her	Huot
Becker-Finn	Clardy	Finke	Greenman	Hicks	Hussein
Berg	Coulter	Fischer	Hansen, R.	Hill	Jordan
Bierman	Curran	Frazier	Hanson, J.	Hollins	Keeler
Brand	Edelson	Frederick	Hassan	Hornstein	Klevorn



Koegel	Liebling	Noor	Pursell	Tabke	Spk. Hortman
Kotzya-Witthuhn	Lillie	Norris	Rehm	Vang	
Kozlowski	Lislegard	Olson, L.	Reyer	Virnig	
Kraft	Long	Pérez-Vega	Sencer-Mura	Wolgamott	
Lee, F.	Moller	Pinto	Smith	Xiong	
Lee, K.	Nelson, M.	Pryor	Stephenson	Youakim	

The motion did not prevail and the amendment was not adopted.

Niska moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 50, delete section 18

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Niska amendment and the roll was called. There were 58 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiens
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Witte
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Zelevnikar
Davis	Heintzeman	Lawrence	Niska	Schultz	
Demuth	Hudson	McDonald	Novotny	Scott	

Those who voted in the negative were:

Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Vang
Berg	Fischer	Hill	Kraft	Olson, L.	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	
Edelson	Hassan	Klevorn	Nelson, M.	Smith	

The motion did not prevail and the amendment was not adopted.

Nadeau moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 264, delete section 26 and insert:

"Sec. 26. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; MENTAL HEALTH SERVICES PAYMENT RATES.**

(a) The commissioner of human services must identify the current procedural terminology (CPT) mental health services procedure codes with the highest utilization, based on the Minnesota Health Care Programs Outpatient Services Rates Study submitted to the legislature in January 2024.

(b) Within available appropriations, the commissioner must revise and implement payment rates for the mental health services identified under paragraph (a) rendered on or after January 1, 2025, so that the medical assistance payment rates are equal to 100 percent of the Medicare Physician Fee Schedule.

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Nadeau amendment and the roll was called. There were 58 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Swedzinski
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Torkelson
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Urdahl
Backer	Franson	Joy	Myers	Petersburg	West
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	Wiener
Baker	Gillman	Knudsen	Nash	Quam	Wiens
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Witte
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Zelevnikar
Davis	Heintzeman	Lawrence	Niska	Schultz	
Demuth	Hudson	McDonald	Novotny	Skraba	

Those who voted in the negative were:

Agbaje	Coulter	Freiberg	Hill	Koegel	Long
Bahner	Curran	Gomez	Hollins	Kotzya-Witthuhn	Moller
Becker-Finn	Edelson	Greenman	Hornstein	Kozlowski	Nelson, M.
Berg	Elkins	Hansen, R.	Howard	Kraft	Newton
Bierman	Feist	Hanson, J.	Huot	Lee, F.	Noor
Brand	Finke	Hassan	Hussein	Lee, K.	Norris
Carroll	Fischer	Hemmingsen-Jaeger	Jordan	Liebling	Olson, L.
Cha	Frazier	Her	Keeler	Lillie	Pérez-Vega
Clardy	Frederick	Hicks	Klevorn	Lislegard	Pinto

Pryor  
Pursell  
Rehm

Reyer  
Sencer-Mura  
Smith

Stephenson  
Tabke  
Vang

Virnig  
Wolgamott  
Xiong

Youakim  
Spk. Hortman

The motion did not prevail and the amendment was not adopted.

Novotny moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 179, after line 27, insert:

"Sec. 35. Minnesota Statutes 2022, section 145.902, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) For purposes of this section, a "safe place" means:

(1) a hospital licensed under sections 144.50 to 144.56;

(2) a fire station that is staffed continuously, 24 hours per day, except when all staff are called on in an emergency and when the dual alarm system dispatches the nearest first responder to receive the infant as in any similar emergency;

(3) a health care provider who provides urgent care medical services;~~or;~~

(4) a newborn safety device installed by a safe place; or

(5) an ambulance service licensed under chapter 144E dispatched in response to a 911 call from a mother or a person with the mother's permission to relinquish a newborn infant.

(b) A safe place shall receive a newborn left with an employee on the premises of the safe place during its hours of operation or in a newborn safety device, provided that:

(1) the newborn infant was born within seven days of being left at the safe place, as determined within a reasonable degree of medical certainty; ~~and~~

(2) the newborn infant is left in an unharmed condition; ~~and~~

(3) the newborn safety device:

(i) is designed to permit a parent to anonymously place a newborn infant in the device with the intent to leave the newborn;

(ii) allows an emergency medical services provider to remove the newborn infant from the device and take custody of the newborn infant;

(iii) is installed with an adequate dual alarm system connected to the physical location where the device is physically installed, and the dual alarm system is tested at least one time per month and visually checked at least two times per day to ensure the alarm system is in working order; and

(iv) is approved by the federal Food and Drug Administration and is physically located inside a participating fire station that is staffed 24 hours per day or a licensed hospital that is legally operating in the state and is staffed continuously on a 24-hour basis every day. The safety device must be located in an area that is conspicuous and visible to the fire station or hospital staff.

(c) The safe place must not inquire as to the identity of the mother or the person leaving the newborn or call the police, provided the newborn is unharmed when presented to the hospital. The safe place may ask the mother or the person leaving the newborn about the medical history of the mother or newborn but the mother or the person leaving the newborn is not required to provide any information. The safe place may provide the mother or the person leaving the newborn with information about how to contact relevant social service agencies. This information must be available for the relinquishing parent in the newborn safety device.

(d) A safe place that is a health care provider who provides urgent care medical services shall dial 911, advise the dispatcher that the call is being made from a safe place for newborns, and ask the dispatcher to send an ambulance or take other appropriate action to transport the newborn to a hospital. An ambulance with whom a newborn is left shall transport the newborn to a hospital for care. Hospitals must receive a newborn left with a safe place and make the report as required in subdivision 2."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Speaker pro tempore Her called Tabke to the Chair.

The question was taken on the Novotny amendment and the roll was called. There were 61 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Engen	Johnson	Murphy	Perryman	Urdahl
Anderson, P. E.	Fogelman	Joy	Myers	Petersburg	West
Anderson, P. H.	Franson	Kiel	Nadeau	Pfarr	Wiener
Backer	Garofalo	Knudsen	Nash	Quam	Wiens
Bakeberg	Gillman	Koznick	Nelson, N.	Rarick	Witte
Baker	Grossell	Kresha	Neu Brindley	Schomacker	Zelevnikar
Bennett	Harder	Lawrence	Newton	Schultz	
Burkel	Heintzeman	Lislegard	Niska	Scott	
Davis	Hudson	McDonald	Novotny	Skraba	
Demuth	Igo	Mekeland	O'Driscoll	Swedzinski	
Dotseth	Jacob	Mueller	Olson, B.	Torkelson	

Those who voted in the negative were:

Agbaje	Carroll	Elkins	Freiberg	Hemmingsen-Jaeger	Howard
Bahner	Cha	Feist	Gomez	Her	Huot
Becker-Finn	Clardy	Finke	Greenman	Hicks	Hussein
Berg	Coulter	Fischer	Hansen, R.	Hill	Jordan
Bierman	Curran	Frazier	Hanson, J.	Hollins	Keeler
Brand	Edelson	Frederick	Hassan	Hornstein	Klevorn

Koegel	Lee, K.	Nelson, M.	Pinto	Sencer-Mura	Virnig
Kotzya-Witthuhn	Liebling	Noor	Pryor	Smith	Wolgamott
Kozlowski	Lillie	Norris	Pursell	Stephenson	Xiong
Kraft	Long	Olson, L.	Rehm	Tabke	Youakim
Lee, F.	Moller	Pérez-Vega	Reyer	Vang	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

Backer moved to amend S. F. No. 4699, the unofficial engrossment, as amended, as follows:

Page 19, after line 24, insert:

"Sec. 9. Minnesota Statutes 2023 Supplement, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is ~~available~~ limited to citizens or nationals of the United States; ~~and lawfully present noncitizens as defined in Code of Federal Regulations, title 8, section 103.12; and undocumented noncitizens.~~ Undocumented noncitizens are ineligible for MinnesotaCare. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines, except that these persons may be eligible for emergency medical assistance under section 256B.06, subdivision 4."

Page 217, after line 8, insert:

"Sec. 40. **EMERGENCY AID TO AMBULANCE SERVICES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in Minnesota Statutes, section 144E.001, apply and the terms in this subdivision have the meanings given.

(b) "EMS responses" means the number of responses reported to the board by a licensee via the Minnesota state ambulance reporting system during calendar year 2023.

(c) "Response density" means the quotient of a licensee's EMS responses divided by the square mileage of the licensee's primary service area.

Subd. 2. **Excluded services.** The board shall exclude EMS responses by specialized life support as described under Minnesota Statutes, section 144E.101, subdivision 9, when calculating EMS responses, response density, or aid payments under this section.

Subd. 3. **Multiple licenses.** When a licensee, a licensee's parent company, a subsidiary of the licensee, or a subsidiary of the licensee's parent company collectively hold one or more licenses, the board must treat all such related licensees as a single licensee and the sum of the square mileages of the primary service areas as a single primary service area for the purposes of calculating EMS responses, response density, and aid payments under this section.

Subd. 4. **Eligible licensees; application process.** (a) Only licensees with a response density of 30 responses per square mile or fewer are eligible for aid payments under this section.

(b) An eligible licensee may apply to the board, in the form and manner determined by the board, for aid payments under this section.

Subd. 5. **Board calculations.** (a) Prior to determining an aid payment amount for eligible applicants, the board must make the calculations in paragraphs (b) to (d).

(b) For each eligible applicant, the board shall determine the amount equal to dividing 20 percent of the amount appropriated for aid payments under this section equally among all eligible applicants.

(c) For each eligible applicant, the board shall determine the amount equal to dividing 40 percent of the amount appropriated for aid payments under this section by each eligible applicant's share of the total square mileage of all eligible applicants' primary service areas. For the purposes of both calculating the total square mileage of the primary service areas of all eligible applicants and for calculating each eligible applicant's share of the total, the square mileage of each eligible applicant's primary service area is capped at 1,200 square miles.

(d) For each eligible applicant, the board shall determine the amount equal to dividing 40 percent of the amount appropriated for aid payments under this section by each eligible applicant's share of the total EMS response points awarded according to clauses (1) to (4):

(1) for EMS response 1 to EMS response 500, a licensee is awarded ten points for each EMS response;

(2) for EMS response 501 to EMS response 1,500, a licensee is awarded five points for each EMS response;

(3) for EMS response 1,501 to EMS response 2,500, a licensee is awarded zero points for each EMS response; and

(4) for EMS response 2,501 and each subsequent EMS response, a licensee's points are reduced by two points for each EMS response, except a licensee's total awarded points must not be reduced below zero.

Subd. 6. **Aid amount.** The board must make an aid payment to an eligible applicant in the amount equal to the sum of the amounts calculated in subdivision 5, paragraphs (b) to (d).

Subd. 7. **Eligible uses.** A recipient of an aid payment under this section must spend the money only on expenses incurred in the provision of licensed ambulance services within the recipient's primary service area or areas. A recipient of an aid payment under this section must spend the entire amount by December 31, 2027, or return to the board by March 1, 2028, any amount not spent by December 31, 2027.

Subd. 8. **Payment date.** The executive director of the board must certify the aid payment amount for each eligible applicant and must make the full aid payment by December 31, 2024.

Subd. 9. **Report.** By December 31, 2025, and by December 31 of each of the following two years, recipients of aid payments under this section must submit to the board a report summarizing how the recipient used the revenue from the aid payments. Beginning March 31, 2026, and by March 31 of each of the following two years, the board must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over the board a report summarizing how the aid payments were utilized by aid recipients."

Page 323, line 21, delete "12,926,000" and insert "7,418,000"

Page 323, line 24, delete "9,760,000" and insert "8,780,000"

Page 323, line 25, delete "3,166,000" and insert "(1,362,000)"

Page 324, line 21, delete "(2,070,000)" and insert "(6,598,000)"

Page 328, after line 12, insert:

"Sec. 6. **EMERGENCY MEDICAL SERVICES  
REGULATORY BOARD**

**\$-0-**

**\$5,508,000**

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>980,000</u>
<u>Health Care Access</u>	<u>-0-</u>	<u>4,528,000</u>

**Emergency Aid to Ambulance Services.** \$980,000 in fiscal year 2025 is from the general fund, and \$4,528,000 in fiscal year 2025 is from the health care access fund, for the emergency aid to ambulance services program. The general fund base for this appropriation is \$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027. The health care access fund base for this appropriation is \$41,866,000 in fiscal year 2026 and \$57,273,000 in fiscal year 2027."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Backer amendment and the roll was called. There were 60 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	McDonald	Novotny	Scott
Anderson, P. E.	Engen	Jacob	Mekeland	O'Driscoll	Skraba
Anderson, P. H.	Fogelman	Johnson	Mueller	Olson, B.	Swedzinski
Backer	Franson	Joy	Murphy	Perryman	Torkelson
Bakeberg	Garofalo	Kiel	Myers	Petersburg	Urdahl
Baker	Gillman	Knudsen	Nadeau	Pfarr	West
Bennett	Grossell	Koznick	Nash	Quam	Wiener
Burkel	Harder	Kresha	Nelson, N.	Rarick	Wiens
Davis	Heintzeman	Lawrence	Neu Brindley	Schomacker	Witte
Demuth	Hudson	Lislegard	Niska	Schultz	Zelevnikar

Those who voted in the negative were:

Agbaje	Bierman	Clardy	Elkins	Frazier	Greenman
Bahner	Brand	Coulter	Feist	Frederick	Hansen, R.
Becker-Finn	Carroll	Curran	Finke	Freiberg	Hanson, J.
Berg	Cha	Edelson	Fischer	Gomez	Hassan

Hemmingsen-Jaeger	Hussein	Lee, F.	Noor	Reyer	Xiong
Her	Jordan	Lee, K.	Norris	Sencer-Mura	Youakim
Hicks	Keeler	Liebling	Olson, L.	Smith	Spk. Hortman
Hill	Klevorn	Lillie	Pérez-Vega	Stephenson	
Hollins	Koegel	Long	Pinto	Tabke	
Hornstein	Kotyza-Witthuhn	Moller	Pryor	Vang	
Howard	Kozlowski	Nelson, M.	Pursell	Virnig	
Huot	Kraft	Newton	Rehm	Wolgammott	

The motion did not prevail and the amendment was not adopted.

Quam offered an amendment to S. F. No. 4699, the unofficial engrossment, as amended.

#### POINT OF ORDER

Jordan raised a point of order pursuant to rule 3.21 that the Quam amendment was not in order. Speaker pro tempore Tabke ruled the point of order well taken and the Quam amendment out of order.

S. F. No. 4699, A bill for an act relating to state government; modifying provisions governing health care, health insurance, health policy, emergency medical services, the Department of Health, the Department of Human Services, MNsure, health care workforce, health-related licensing boards, health care affordability and delivery, background studies, child protection and welfare, child care licensing, behavioral health, economic assistance, housing and homelessness, human services policy, the Minnesota Indian Family Preservation Act, and the Department of Children, Youth, and Families; establishing the Office of Emergency Medical Services; establishing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; making technical and conforming changes; requiring reports; imposing penalties; providing appointments; making forecast adjustments; appropriating money; amending Minnesota Statutes 2022, sections 16A.055, subdivision 1a, by adding a subdivision; 16A.103, by adding a subdivision; 62A.0411; 62A.15, subdivision 4, by adding a subdivision; 62A.28, subdivision 2; 62D.02, subdivisions 4, 7; 62D.03, subdivision 1; 62D.05, subdivision 1; 62D.06, subdivision 1; 62D.14, subdivision 1; 62D.19; 62D.20, subdivision 1; 62D.22, subdivision 5; 62E.02, subdivision 3; 62J.49, subdivision 1; 62J.61, subdivision 5; 62M.01, subdivision 3; 62Q.097, by adding a subdivision; 62Q.14; 62V.05, subdivision 12; 62V.08; 62V.11, subdivision 4; 103I.621, subdivisions 1, 2; 121A.15, subdivision 3, by adding a subdivision; 144.05, subdivision 6, by adding a subdivision; 144.058; 144.0724, subdivisions 2, 3a, 4, 6, 7, 8, 9, 11; 144.1464, subdivisions 1, 2, 3; 144.1501, subdivision 5; 144.1911, subdivision 2; 144.212, by adding a subdivision; 144.216, subdivision 2, by adding subdivisions; 144.218, by adding a subdivision; 144.292, subdivision 6; 144.293, subdivisions 2, 4, 9, 10; 144.493, by adding a subdivision; 144.494, subdivision 2; 144.551, subdivision 1; 144.555, subdivisions 1a, 1b, 2, by adding subdivisions; 144.605, by adding a subdivision; 144.99, subdivision 3; 144A.10, subdivisions 15, 16; 144A.471, by adding a subdivision; 144A.474, subdivision 13; 144A.61, subdivision 3a; 144A.70, subdivisions 3, 5, 6, 7; 144A.71, subdivision 2, by adding a subdivision; 144A.72, subdivision 1; 144A.73; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivisions 5, 7; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 144G.08, subdivision 29; 144G.10, by adding a subdivision; 144G.16, subdivision 6; 146B.03, subdivision 7a; 146B.10, subdivisions 1, 3; 148.235, subdivision 10; 149A.02, subdivisions 3, 3b, 16, 23, 26a, 27, 35, 37c, by adding subdivisions; 149A.03; 149A.65; 149A.70, subdivisions 1, 2, 3, 5; 149A.71, subdivisions 2, 4; 149A.72, subdivisions 3, 9; 149A.73, subdivision 1; 149A.74, subdivision 1; 149A.93, subdivision 3; 149A.94, subdivisions 1, 3, 4; 149A.97, subdivision 2; 151.01, subdivisions 23, 27; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 151.212, by adding a subdivision; 151.37, by adding a subdivision; 151.74, subdivision 6; 152.22, subdivision 14, by adding a



subdivision; 152.25, subdivision 2; 152.27, subdivisions 2, 6, by adding a subdivision; 176.175, subdivision 2; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; 243.166, subdivision 7, as amended; 245.096; 245.462, subdivision 6; 245.4663, subdivision 2; 245A.04, subdivision 10, by adding a subdivision; 245A.043, subdivisions 2, 4, by adding subdivisions; 245A.07, subdivision 6; 245A.10, subdivisions 1, as amended, 2, as amended; 245A.14, subdivision 17; 245A.144; 245A.175; 245A.52, subdivision 2, by adding a subdivision; 245A.66, subdivision 2; 245C.05, subdivision 5; 245C.08, subdivision 4; 245C.10, subdivision 18; 245C.14, subdivision 1, by adding a subdivision; 245C.15, subdivisions 3, 4; 245C.22, subdivision 4; 245C.24, subdivisions 2, 5; 245C.30, by adding a subdivision; 245E.08; 245F.09, subdivision 2; 245F.14, by adding a subdivision; 245F.17; 245G.07, subdivision 4; 245G.08, subdivisions 5, 6; 245G.10, by adding a subdivision; 245G.22, subdivisions 6, 7; 245H.01, by adding subdivisions; 245H.08, subdivision 1; 245H.14, subdivisions 1, 4; 245I.02, subdivisions 17, 19; 245I.10, subdivision 9; 245I.11, subdivision 1, by adding a subdivision; 245I.20, subdivision 4; 245I.23, subdivision 14; 256.01, subdivision 41, by adding a subdivision; 256.029, as amended; 256.045, subdivisions 3b, as amended, 5, as amended, 7, as amended; 256.0451, subdivisions 1, as amended, 22, 24; 256.046, subdivision 2, as amended; 256.9657, subdivision 8, by adding a subdivision; 256.969, by adding subdivisions; 256B.056, subdivisions 1a, 10; 256B.0622, subdivisions 2a, 3a, 7a, 7d; 256B.0623, subdivision 5; 256B.0625, subdivisions 12, 20, 39, by adding subdivisions; 256B.0757, subdivisions 4a, 4d, by adding a subdivision; 256B.0943, subdivision 12; 256B.0947, subdivision 5; 256B.76, subdivision 6; 256B.795; 256I.04, subdivision 2f; 256J.08, subdivision 34a; 256J.28, subdivision 1; 256K.45, subdivision 2; 256N.22, subdivision 10; 256N.24, subdivision 10; 256N.26, subdivisions 12, 13, 15, 16, 18, 21, 22; 256P.05, by adding a subdivision; 256R.02, subdivision 20; 259.20, subdivision 2; 259.37, subdivision 2; 259.52, subdivisions 2, 4; 259.53, by adding a subdivision; 259.79, subdivision 1; 259.83, subdivision 4; 260.755, subdivisions 2a, 5, 14, 17a, by adding subdivisions; 260.775; 260.785, subdivisions 1, 3; 260.810, subdivision 3; 260C.007, subdivisions 6, 26b; 260C.141, by adding a subdivision; 260C.178, subdivisions 1, as amended, 7; 260C.202; 260C.209, subdivision 1; 260C.212, subdivisions 1, 2; 260C.301, subdivision 1, as amended; 260C.329, subdivisions 3, 8; 260C.4411, by adding a subdivision; 260C.515, subdivision 4; 260C.607, subdivisions 1, 6; 260C.611; 260C.613, subdivision 1; 260C.615, subdivision 1; 260D.01; 260E.03, subdivision 23, as amended; 260E.30, subdivision 3, as amended; 260E.33, subdivision 2, as amended; 317A.811, subdivisions 1, 2, 4; 393.07, subdivision 10a; 518.17, by adding a subdivision; 519.05; 524.3-801, as amended; Minnesota Statutes 2023 Supplement, sections 13.46, subdivision 4, as amended; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 62J.84, subdivision 10; 62Q.46, subdivision 1; 62Q.473, by adding subdivisions; 62Q.522, subdivision 1; 119B.011, subdivision 15; 119B.16, subdivisions 1a, 1c; 119B.161, subdivision 2; 124D.142, subdivision 2, as amended; 142A.03, by adding a subdivision; 144.0526, subdivision 1; 144.1501, subdivisions 1, 2, 3, 4; 144.1505, subdivision 2; 144.2252, subdivision 2; 144.2253; 144.587, subdivision 4; 144A.4791, subdivision 10; 144E.101, subdivisions 6, 7, as amended; 145.561, subdivision 4; 151.555, subdivisions 1, 4, 5, 6, 7, 8, 9, 11, 12; 151.74, subdivision 3; 152.126, subdivision 6; 152.28, subdivision 1; 245.4889, subdivision 1; 245A.02, subdivision 2c; 245A.03, subdivisions 2, as amended, 7, as amended; 245A.043, subdivision 3; 245A.07, subdivision 1, as amended; 245A.11, subdivision 7; 245A.16, subdivisions 1, as amended, 11; 245A.211, subdivision 4; 245A.242, subdivision 2; 245A.50, subdivisions 3, 4; 245A.66, subdivision 4, as amended; 245C.02, subdivisions 6a, 13e; 245C.033, subdivision 3; 245C.08, subdivision 1; 245C.10, subdivision 15; 245C.15, subdivisions 2, 4a; 245C.31, subdivision 1; 245G.22, subdivisions 2, 17; 245H.06, subdivisions 1, 2; 245H.08, subdivisions 4, 5; 254B.04, subdivision 1a; 256.01, subdivision 12b; 256.043, subdivisions 3, 3a; 256.045, subdivision 3, as amended; 256.046, subdivision 3; 256.0471, subdivision 1, as amended; 256.969, subdivision 2b; 256B.0622, subdivisions 7b, 8; 256B.0625, subdivisions 3a, 5m, 9, 13e, as amended, 13f, 13k, 16; 256B.064, subdivision 4; 256B.0671, subdivision 5; 256B.0701, subdivision 6; 256B.0947, subdivision 7; 256B.764; 256D.01, subdivision 1a; 256E.38, subdivision 4; 256I.05, subdivisions 1a, 11; 256L.03, subdivision 1; 256M.42, by adding a subdivision; 256P.06, subdivision 3; 259.83, subdivisions 1, 1b, 3a; 260.014, by adding a subdivision; 260.755, subdivisions 1a, 3, 3a, 5b, 20, 22; 260.758, subdivisions 2, 4, 5; 260.761; 260.762; 260.763, subdivisions 1, 4, 5; 260.765, subdivisions 2, 3a, 4b; 260.771, subdivisions 1a, 1b, 1c, 2b, 2d, 6, by adding a subdivision; 260.773, subdivisions 1, 2, 3, 4, 5, 10, 11; 260.774, subdivisions 1, 2, 3; 260.781, subdivision 1; 260.786, subdivision 2; 260.795, subdivision 1; 342.01, subdivision 63; 342.52, subdivision 3; 342.53; 342.54, subdivision 2; 342.55, subdivision 2; 518A.42, subdivision 3; Laws 1987, chapter 404, section 18, subdivision 1; Laws 2023, chapter 22, section 4, subdivision 2; Laws 2023, chapter 57, article 1, section 6; Laws 2023, chapter 70, article 1, section 35; article 11, section 13, subdivision 8;

article 12, section 30, subdivisions 2, 3; article 14, section 42, subdivision 6; article 20, sections 2, subdivisions 5, 22, 24, 29, 31; 3, subdivision 2; 12, as amended; 23; Laws 2024, chapter 80, article 1, sections 38, subdivisions 1, 2, 5, 6, 7, 9; 96; article 2, sections 5, subdivision 21, by adding a subdivision; 6, subdivisions 2, 3, 3a, by adding a subdivision; 7, subdivision 2; 10, subdivisions 1, 6; 16, subdivision 1, by adding a subdivision; 30, subdivision 2; 31; 74; article 4, section 26; article 6, section 4; article 7, section 4; proposing coding for new law in Minnesota Statutes, chapters 62D; 62J; 62Q; 137; 142A; 144; 144A; 144E; 145; 149A; 151; 214; 245C; 245H; 256B; 259; 260; 260D; 260E; 524; proposing coding for new law as Minnesota Statutes, chapters 142B; 142F; 332C; repealing Minnesota Statutes 2022, sections 62A.041, subdivision 3; 144.218, subdivision 3; 144.497; 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3; 245A.065; 245C.125; 256.01, subdivisions 12, 12a; 256B.79, subdivision 6; 256D.19, subdivisions 1, 2; 256D.20, subdivisions 1, 2, 3, 4; 256D.23, subdivisions 1, 2, 3; 256R.02, subdivision 46; 260.755, subdivision 13; Minnesota Statutes 2023 Supplement, sections 62J.312, subdivision 6; 62Q.522, subdivisions 3, 4; 144.0528, subdivision 5; 245C.08, subdivision 2; Laws 2023, chapter 25, section 190, subdivision 10; Laws 2024, chapter 80, article 1, sections 38, subdivisions 3, 4, 11; 39; 43, subdivision 2; article 2, sections 1, subdivision 11; 3, subdivision 3; 4, subdivision 4; 6, subdivision 4; 10, subdivision 4; 33; 69; article 7, sections 3; 9; Minnesota Rules, parts 9502.0425, subparts 5, 10; 9545.0805, subpart 1; 9545.0845; 9560.0232, subpart 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Vang
Berg	Fischer	Hill	Kraft	Olson, L.	Virmig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	
Edelson	Hassan	Klevorn	Nelson, M.	Smith	

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	McDonald	Novotny	Scott	

The bill was passed, as amended, and its title agreed to.

S. F. No. 4942 was reported to the House.

Kraft moved to amend S. F. No. 4942, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 4975, the second engrossment:

"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.

	<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. <b><u>OFFICE OF CANNABIS MANAGEMENT</u></b>	<b><u>\$-0-</u></b>	<b><u>\$2,727,000</u></b>
<b><u>(a) Enforcement of Temporary Regulations</u></b>		
<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>		
<b><u>(b) Product Testing</u></b>		
<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>		
<b><u>(c) Reference Laboratory</u></b>		
<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. **DEPARTMENT OF HEALTH****\$-0-****\$5,500,000**

\$5,500,000 in fiscal year 2025 is for the purposes outlined in Minnesota Statutes, section 342.72.

Sec. 4. **ATTORNEY GENERAL.**

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.

Sec. 5. Laws 2023, chapter 63, article 9, section 10, is amended to read:

Sec. 10. **HEALTH**Subdivision 1. **Total Appropriation****\$3,300,000****\$ ~~20,252,000~~  
17,525,000**

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. **Youth Prevention and Education Program****-0-****~~5,000,000~~  
4,363,000**

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. **Prevention and Education Grants for Pregnant or Breastfeeding Individuals****-0-****~~2,000,000~~  
1,788,000**

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. **Local and Tribal Health Departments****-0-****10,000,000**

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. **Cannabis Data Collection and Biennial Reports****493,000****493,000**

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	1,107,000 <u>-0-</u>
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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. <b>Testing-</b>	719,000	771,000 <u>-0-</u>
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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. Laws 2023, chapter 70, article 20, section 2, subdivision 5, is amended to read:

Subd. 5. **Central Office; Health Care**

Appropriations by Fund

General	35,807,000	31,349,000
Health Care Access	30,668,000	50,168,000

(a) **Medical assistance and MinnesotaCare accessibility improvements.** \$4,000,000 in fiscal year 2024 is from the general fund for interactive voice response upgrades and translation services for medical assistance and MinnesotaCare enrollees with limited English proficiency. This appropriation is available until June 30, 2025.

(b) **Transforming service delivery.** \$155,000 in fiscal year 2024 and \$180,000 in fiscal year 2025 are from the general fund for transforming service delivery projects.

(c) **Improving the Minnesota eligibility technology system functionality.** \$1,604,000 in fiscal year 2024 and \$711,000 in fiscal year 2025 are from the general fund for improving the Minnesota eligibility technology system functionality. The base for this appropriation is \$1,421,000 in fiscal year 2026 and \$0 in fiscal year 2027.



(d) **Actuarial and economic analyses.** \$2,500,000 is from the health care access fund for actuarial and economic analyses and to prepare and submit a state innovation waiver under section 1332 of the federal Affordable Care Act for a Minnesota public option health care plan. This is a onetime appropriation and is available until June 30, 2025.

(e) **Contingent appropriation for Minnesota public option health care plan.** \$22,000,000 in fiscal year 2025 is from the health care access fund for agency initiatives related to implement a Minnesota public option health care plan. The commissioner of human services, in fiscal year 2025, shall transfer from this appropriation to the commissioner of commerce an amount sufficient for the commissioner of commerce to develop and submit to the federal government a section 1332 waiver request to implement a Minnesota public option health care plan. This is a onetime appropriation and ~~is available upon approval of a state innovation waiver under section 1332 of the federal Affordable Care Act.~~ This appropriation is available until June 30, 2027.

(f) **Carryforward authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$2,367,000 of the appropriation in fiscal year 2024 is available until June 30, 2027.

(g) **Base level adjustment.** The general fund base is \$32,315,000 in fiscal year 2026 and \$27,536,000 in fiscal year 2027. The health care access fund base is \$28,168,000 in fiscal year 2026 and \$28,168,000 in fiscal year 2027.

Sec. 5. **REQUEST FOR FEDERAL WAIVER TO IMPLEMENT A PUBLIC OPTION.**

Subdivision 1. **Waiver submittal.** (a) The commissioner of commerce shall submit a section 1332 waiver request pursuant to United States Code, title 42, section 18052, to the Secretary of Health and Human Services to obtain federal approval to implement a public option. The commissioner (1) may contract for any analyses, certification, data, or other information required to complete the section 1332 waiver application in accordance with Code of Federal Regulations, title 33, part 108; Code of Federal Regulations, title 155, part 1308; and any other applicable federal law, and (2) is not subject to contract requirements under Minnesota Statutes, chapter 16C.

(b) The commissioner of commerce shall also seek, as part of the waiver request, federal approval for the state to:

(1) continue receiving federal Medicaid payments for Medicaid-eligible individuals and federal basic health program payments for basic health program-eligible MinnesotaCare individuals; and

(2) receive federal pass-through funding equal to the value of premium tax credits and cost-sharing reductions that MinnesotaCare public option enrollees with household incomes greater than 200 percent of the federal poverty guidelines would otherwise have received.

(c) In developing the waiver request, the commissioner of commerce shall consult regularly with the commissioner of human services and the MNsure board.

**Subd. 2. Public option requirements; waiver development; reports to legislature.** (a) The public option proposal submitted for waiver approval to the federal government must be consistent with, but need not be identical to, the public option framework specified in this section.

(b) The commissioner of commerce, in developing the public option proposal, may modify the public option framework specified in this section based on consultation with the commissioner of human services and the MNsure board and any analyses, certification, data, or other information provided as part of the waiver development process. The commissioner of commerce shall incorporate into the public option proposal any recommendations made by the commissioner of human services regarding the provisions of Minnesota Statutes, chapter 256L, that would apply to the public option.

(c) The commissioner of commerce shall present to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy and health insurance an interim report on the public option proposal and waiver process by December 15, 2024, and a final report by April 15, 2025. The interim and final reports must include a description of and rationale for:

(1) any significant changes from the public option framework specified in this section; and

(2) any features of the public option included in the waiver request but not addressed by this framework.

The final report must also include a copy of the waiver request submitted to the federal government and any supporting material.

**Subd. 3. Access through MNsure.** (a) The commissioner of human services shall offer the public option through the MNsure website. The MNsure website must (1) ensure simple, convenient, and understandable access to enrollment in the public option, and (2) allow individuals to compare public option coverage with other coverage options. The MNsure board must extend the special enrollment period provisions that apply to qualified health plan enrollment to individuals who are eligible to enroll in the public option.

(b) The MNsure board shall provide administrative functions to facilitate the offering of the public option by the commissioner of human services. These functions include but are not limited to: marketing, call center operations, certification of insurance producers, and making payments to navigators for the successful enrollment of applicants in the public option. The MNsure board may provide additional administrative functions as requested by the commissioner of human services.

(c) An individual must be able to apply for and, if eligible, enroll in the public option by completing the application for a qualified health plan with premium tax credits or cost-sharing reductions. Enrollment in the public option must not require an applicant to provide additional information or complete an action not required for an applicant to enroll in a qualified health plan with premium tax credits or cost-sharing reductions. An individual must provide information needed to confirm the individual is not eligible for medical assistance under Minnesota Statutes, chapter 256B, or MinnesotaCare under Minnesota Statutes, chapter 256L.

(d) The MNsure board shall process all public option applications and make all eligibility determinations for the public option. Eligibility decisions for the public option shall be appealable to the MNsure board.

**Subd. 4. Insurance producers.** (a) The MNsure board may establish certification requirements that must be met by insurance producers in order to assist individuals with enrolling in the public option.

(b) For each applicant an insurance producer successfully enrolls in the public option, a health carrier shall offer the same compensation or other incentives that it offers for enrollment in other qualified health plans available through MNsure.

(c) An insurance producer assisting an individual with enrollment in the public option must disclose to that individual, orally and in writing at the time of first solicitation, that the producer may receive compensation from the health carrier for enrolling the individual in the public option.

**Subd. 5. Eligibility for the public option.** (a) Families and individuals with income above the maximum income eligibility limit specified in Minnesota Statutes, section 256L.04, subdivision 1 or 7, who meet all other MinnesotaCare eligibility requirements are eligible for the MinnesotaCare public option, subject to the income limit phase-in and additional requirements specified in this section. Families and individuals enrolled in the public option shall be considered MinnesotaCare enrollees and all provisions of Minnesota Statutes, chapter 256L, applying generally to MinnesotaCare enrollees shall apply to public option enrollees, unless specified otherwise in this section and unless the commissioner of human services determines that departures from the MinnesotaCare provisions are necessary to obtain federal funding and communicates the decision to the commissioner of commerce as part of the waiver development process.

(b) Eligibility for the public option is subject to the following limits on household income:

(1) 400 percent of the federal poverty guidelines for the first plan year;

(2) 550 percent of the federal poverty guidelines for the second plan year; and

(3) no household income limit for the third and subsequent plan years.

(c) Families and individuals may enroll in the MinnesotaCare public option only during an annual open enrollment period or special enrollment period, as designated by the MNsure board in compliance with Code of Federal Regulations, title 45, sections 155.410 and 155.420.

**Subd. 6. Premium scale.** Public option enrollees shall pay premiums for individual or family coverage, as applicable, according to the following premium scale:

**Household Income as Percentage of Federal Poverty Guidelines**

<b><u>Greater Than or Equal to</u></b>	<b><u>Not Exceeding</u></b>	<b><u>Required Premium Contribution as Percentage of Household Income</u></b>
<u>201%</u>	<u>250%</u>	<u>4.88%</u>
<u>251%</u>	<u>300%</u>	<u>6.38%</u>
<u>301%</u>	<u>400%</u>	<u>7.88%</u>
<u>401%</u>	<u>500%</u>	<u>8.5%</u>
<u>501%</u>	<u>550%</u>	<u>9.01%</u>
<u>551% and over</u>	<u>No maximum</u>	<u>10%</u>

**Subd. 7. Cost-sharing.** (a) Public option enrollees are subject to the MinnesotaCare cost-sharing requirements established under Minnesota Statutes, section 256L.03, subdivision 5, except that:

(1) cost-sharing applies to all public option enrollees and there are no exemptions;

(2) the deductibles specified in paragraph (b) apply;

(3) the commissioner of human services shall set cost-sharing for public option enrollees at an actuarial value of 94 percent, except that the actuarial value for public option enrollees with household incomes above 400 percent of the federal poverty guidelines may be lower than 94 percent to reflect the deductibles required under paragraph (b); and

(4) out-of-pocket maximums for public option enrollees must not exceed the out-of-pocket maximums outlined in Code of Federal Regulations, title 45, section 156.130.

(b) Public option enrollees shall be subject to the following annual deductibles:

(1) for household incomes 401 percent to 500 percent of federal poverty guidelines, \$500;

(2) for household incomes 501 percent to 600 percent of federal poverty guidelines, \$1,000; and

(3) for household incomes 601 percent of federal poverty guidelines or above, \$1,500.

(c) No annual deductible shall apply to public option enrollees with household incomes not exceeding 400 percent of the federal poverty guidelines.

Subd. 8. **Provider reimbursement.** (a) The commissioner of human services shall require managed care plans and county-based purchasing plans to reimburse health care providers for services provided to MinnesotaCare public option enrollees at payment rates equal to or greater than the fee-for-service Medicare payment rate for the same service or for a similar service if the specific service is not reimbursed under Medicare.

(b) Minnesota Statutes, section 256L.11, subdivision 1, shall not apply to provider reimbursement for services delivered to MinnesotaCare public option enrollees.

Subd. 9. **Contracting and service delivery.** (a) The commissioner of human services (1) shall contract with managed care and county-based purchasing plans for the delivery of services to public option enrollees, and (2) may use a procurement process that is separate and unique from that used to contract for the delivery of services to MinnesotaCare enrollees who are not public option enrollees.

(b) The commissioner of human services shall establish public option participation requirements for managed care and county-based purchasing plans and health care providers. Public option enrollees are not considered MinnesotaCare enrollees for the purpose of the participation requirement specified in Minnesota Statutes, section 256B.0644.

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

**Sec. 6. 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 325O.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 325O.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. [325O.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 325O.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. [325O.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 325O.10 apply to a small business that violates this section.

Sec. 10. **[325O.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 325O.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 325O.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>\$ <del>92,025,000</del></b>	<b>\$ <del>72,223,000</del></b>
	<b><u>88,025,000</u></b>	<b><u>80,518,000</u></b>

Appropriations by Fund

	2024	2025
General	<del>91,626,000</del>	<del>71,824,000</del>
	<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~~ 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; 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.

	<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>DEPARTMENT OF COMMERCE</b></u>	<u><b>\$-0-</b></u>	<u><b>\$1,133,000</b></u>

(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>
<b><u>\$-0-</u></b>	<b><u>\$14,200,000</u></b>

Sec. 2. **DEPARTMENT OF COMMERCE**

(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.

~~(f)~~ (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.

~~(g)~~ (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.

~~(h)~~ (i) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture, strategic electrification, district energy, and energy efficiency.

~~(i)~~ (j) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas emissions resulting from the production, processing, transmission, and consumption of an energy resource.

~~(j)~~ (k) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas emissions per unit of energy delivered to an end user.

~~(k)~~ (l) "Nonexempt customer" means a utility customer that has not been included in a utility's innovation plan under subdivision 3, paragraph (f).

~~(l)~~ (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.

~~(m)~~ (n) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to produce hydrogen.

~~(n)~~ (o) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1.

~~(o)~~ (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.

~~(p)~~ (q) "Solar thermal" has the meaning given to qualifying solar thermal project in section 216B.2411, subdivision 2, paragraph (d).

~~(q)~~ (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.

~~(r)~~ (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 ~~18~~ 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.

Column A

216F.01, subdivision 2  
216F.01, subdivision 3  
216F.01, subdivision 4  
216F.011  
216F.02  
216F.06  
216F.07  
216F.08  
216F.081  
216F.084

Column B

216E.01, subdivision 6a  
216E.01, subdivision 9b  
216E.01, subdivision 11  
216E.022  
216E.023  
216E.055  
216E.10, subdivision 1a  
216E.05, subdivision 4  
216E.05, subdivision 5  
216E.125

**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)~~ (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)~~ (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)~~ (t) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

~~(u)~~ (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 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~~ 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~~ energy eligible improvements or land and water improvements for ~~that~~ the qualifying commercial real property;

(6) have ~~cost-effective-energy~~ 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~~ 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~~ 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~~ 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; requiring a request for a federal waiver to implement a public option; 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; 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; Laws 2023, chapter 70, article 20, section 2, subdivision 5; 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."

The motion prevailed and the amendment was adopted.

Nelson, N., moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 89, line 13, delete "economic gain" and insert "more than the applicable rental rate published in the latest version of Iowa State University Extension and Outreach's Iowa Farm Custom Rate Survey report"

The motion did not prevail and the amendment was not adopted.

Franson moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 96, after line 19, insert:

"Sec. 32. **[31.641] INSECT PROTEIN.**

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

(b) "Close proximity" means:

(1) immediately before or after the name of the product;

(2) in the line of the label immediately before or after the line containing the name of the product; or

(3) within the same phrase or sentence containing the name of the product.

(c) "Insect product" means a food product intended for human consumption and derived by combining processed insects with food additives to approximate the texture, flavor, appearance, or other aesthetic qualities or the chemical characteristics of any specific type of egg, egg product, fish, meat, meat product, poultry, or poultry product.

**Subd. 2. Insect product labeling required.** It is unlawful for any person to sell, offer or expose for sale, or have in possession with intent to sell, an insect product at wholesale or retail unless:

(1) the product label bears, in prominent type equal to or greater in size than the surrounding type and in close proximity to the name of the product, the term insect protein or a similar qualifying term or disclaimer approved by the commissioner and intended to clearly communicate to a consumer that the product is an insect product; and

(2) the ingredient list includes both the common and scientific name of each insect incorporated in the insect product."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Franson amendment and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Murphy	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Myers	Perryman	Torkelson
Backer	Franson	Joy	Nadeau	Petersburg	Urdahl
Bakeberg	Garofalo	Knudsen	Nash	Pfarr	West
Baker	Gillman	Koznick	Nelson, N.	Quam	Wiener
Bennett	Grossell	Kresha	Neu Brindley	Rarick	Wiens
Burkel	Harder	Lawrence	Newton	Schomacker	Witte
Davis	Heintzeman	McDonald	Niska	Schultz	Zelevnikar
Demuth	Hudson	Mekeland	Novotny	Scott	

Those who voted in the negative were:

Agbaje	Elkins	Hemmingsen-Jaeger	Klevorn	Nelson, M.	Stephenson
Bahner	Feist	Her	Koegel	Noor	Tabke
Becker-Finn	Finke	Hicks	Kotyza-Witthuhn	Norris	Vang
Berg	Fischer	Hill	Kozlowski	Olson, L.	Virmig
Bierman	Frazier	Hollins	Kraft	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, F.	Pinto	Xiong
Carroll	Freiberg	Howard	Lee, K.	Pryor	Youakim
Cha	Gomez	Huot	Liebling	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lillie	Rehm	
Coulter	Hansen, R.	Jordan	Lislegard	Reyer	
Curran	Hanson, J.	Keeler	Long	Sencer-Mura	
Edelson	Hassan	Kiel	Moller	Smith	

The motion did not prevail and the amendment was not adopted.

Nelson, N., moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 89, delete lines 14 and 15 and insert:

"(3) repay to the commissioner the full amount of the soil health financial assistance grant if the owner or lessee sells the equipment within three years of the date of purchase and for more than the owner's or lessee's documented share of the total purchase price."

The motion did not prevail and the amendment was not adopted.

Burkel moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 44, line 25, reinstate the stricken language and delete the new language

Page 44, line 26, delete the new language

Page 45, line 25, strike the second "\$155,000" and insert "\$255,000"

Page 46, line 10, after the period, insert "The base for this appropriation is \$155,000 for fiscal year 2026 and each year thereafter."

The motion did not prevail and the amendment was not adopted.

Anderson, P. H., moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 67, line 1, strike the second "\$750,000" and insert "\$450,000"

Page 70, line 20, strike the second "\$1,000,000" and insert "\$1,600,000"

Page 70, line 23, strike ", with"

Page 70, line 24, strike "priority given to"

Page 70, lines 26 to 35, delete the new language

Page 71, line 1, delete the new language

Page 71, line 7, after the period, insert "The commissioner must use the second year appropriation to award down payment assistance grants to all qualified applicants that applied for, but were not approved to receive, a grant during the fiscal year 2024 round."

Page 71, line 18, strike "and \$300,000 the"

Page 71, line 19, strike "second year are" and insert "is"

Adjust amounts accordingly

The motion did not prevail and the amendment was not adopted.

Anderson, P. H., moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 93, delete section 23 and insert:

"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 2034, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

(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."

Page 94, lines 6, 8, and 10, delete "2026" and insert "2035"

A roll call was requested and properly seconded.

The question was taken on the Anderson, P. H., amendment and the roll was called. There were 60 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	McDonald	Novotny	Scott
Anderson, P. E.	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. H.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Backer	Fogelman	Johnson	Murphy	Perryman	Torkelson
Bakeberg	Franson	Joy	Myers	Petersburg	Urdahl
Baker	Garofalo	Kiel	Nadeau	Pfarr	West
Bennett	Gillman	Knudsen	Nash	Quam	Wiener
Brand	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar

Those who voted in the negative were:

Agbaje	Feist	Her	Kotzya-Witthuhn	Noor	Tabke
Bahner	Finke	Hicks	Kozlowski	Norris	Vang
Becker-Finn	Fischer	Hill	Kraft	Olson, L.	Virig
Berg	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	
Edelson	Hassan	Klevorn	Nelson, M.	Smith	
Elkins	Hemmingsen-Jaeger	Koegel	Newton	Stephenson	

The motion did not prevail and the amendment was not adopted.

Kraft moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 109, line 27, delete "2027" and insert "2029"

Page 114, line 6, delete "2027" and insert "2029"

Page 151, line 27, delete "nameplate"

Page 152, line 3, before the semicolon, insert ". after which pro rata payments are paid to the utility for distribution to ratepayers"

The motion prevailed and the amendment was adopted.

Mekeland moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 188, after line 23, insert:

"Sec. 35. **DECOMMISSIONING AND REPURPOSING PLAN.**

A public utility that owns an electric generation facility powered by coal that the public utility has scheduled for retirement must include, in the public utility's next integrated resource plan filed under Minnesota Statutes, section 216B.2422, subdivision 2, a schedule for the retirement and a plan for the repurposing of each coal-powered facility. The public utility must provide a copy of the plan and schedule to the governing body of the municipality where the electric generation facility is located on the same date the plan is submitted to the Public Utilities Commission. If a resource plan is not filed or required before February 1, 2026, the plan and schedule must be submitted to the Public Utilities Commission as a separate filing and to the municipality by February 1, 2026."

The motion prevailed and the amendment was adopted.



Swedzinski moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 160, after line 4, insert:

"(d) No later than March 1, 2025, and each March 1 thereafter, a public utility providing fuel-switching incentives under this subdivision must submit a written report annually to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy containing information on:

(1) the nature and amount of fuel-switching incentives offered by the utility;

(2) the number of customers receiving fuel-switching incentives; and

(3) the amount of fuel-switching incentives paid to customers, and the specific appliance or end use whose fuel is being switched."

Reletter the paragraphs in sequence

The motion prevailed and the amendment was adopted.

Swedzinski moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 166, line 5, before "A" insert "Except as provided in paragraph (j)."

Page 167, after line 35, insert:

"(j) An electric cooperative's spending on efficient fuel-switching improvements made in low-income households may be applied to the electric cooperative's low-income conservation spending requirement in paragraph (a)."

The motion prevailed and the amendment was adopted.

Swedzinski moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 161, after line 29, insert:

"Sec. 6. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision to read:

Subd. 19a. **Pipeline pumping station.** "Pipeline pumping station" means a facility operated by a petroleum pipeline that uses electricity to maintain the desired flow rate and pressure of the pipeline contents."

Page 168, after line 27, insert:

"Sec. 10. Minnesota Statutes 2022, section 216B.2403, is amended by adding a subdivision to read:

Subd. 11. **Aggregated pumping stations.** (a) This subdivision applies to pipeline pumping stations:

(1) that are served by consumer-owned utilities that are members of a generation and transmission electric cooperative association; and

(2) whose aggregated peak electrical demand meets or exceeds the level required to qualify as a large energy facility under section 216B.2402, subdivision 12.

(b) The owners of the aggregated pipeline pumping stations that meet the criteria in paragraph (a) may collectively petition the commissioner under section 216B.241, subdivision 1a, to exempt the generation and transmission electric cooperative association supplying electricity to the consumer-owned utilities serving the aggregated pipeline pumping stations from contributing to the investments and expenditures made under an energy conservation and optimization plan filed under subdivision 3, with respect to the retail revenues attributable to the aggregated pipeline pumping stations.

(c) If the commissioner approves the exemption requested under paragraph (b), the electric sales of each of the pipeline pumping stations that joined in the petition under paragraph (b) are excluded from the gross annual retail electric sales of the consumer-owned utility serving that pumping station."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Swedzinski amendment and the roll was called. There were 60 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	McDonald	Novotny	Scott
Anderson, P. E.	Engen	Jacob	Mekeland	O'Driscoll	Skraba
Anderson, P. H.	Fogelman	Johnson	Mueller	Olson, B.	Swedzinski
Backer	Franson	Joy	Murphy	Perryman	Torkelson
Bakeberg	Garofalo	Kiel	Myers	Petersburg	Urdahl
Baker	Gillman	Knudsen	Nadeau	Pfarr	West
Bennett	Grossell	Koznick	Nash	Quam	Wiener
Burkel	Harder	Kresha	Nelson, N.	Rarick	Wiens
Davis	Heintzeman	Lawrence	Neu Brindley	Schomacker	Witte
Demuth	Hudson	Lislegard	Niska	Schultz	Zelevnikar

Those who voted in the negative were:

Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Virnig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Long	Reyer	
Coulter	Hansen, R.	Jordan	Moller	Sencer-Mura	
Curran	Hanson, J.	Keeler	Nelson, M.	Smith	
Edelson	Hassan	Klevorn	Newton	Stephenson	

The motion did not prevail and the amendment was not adopted.

Swedzinski moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 108, delete article 10

Page 188, after line 23, insert:

"Sec. 35. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER.**

\$14,200,000 in fiscal year 2025 is transferred from the renewable development account to the Public Utilities Commission for refund, in a manner prescribed by the commission, to the ratepayers receiving electric service from the public utility required to make payments under Minnesota Statutes, section 116C.779."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Swedzinski amendment and the roll was called. There were 58 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Engen	Jacob	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Fogelman	Johnson	Mueller	Perryman	Torkelson
Anderson, P. H.	Franson	Joy	Murphy	Petersburg	Urdahl
Backer	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	Lislegard	Novotny	Scott	
Dotseth	Igo	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Tabke
Bakeberg	Finke	Hicks	Kozlowski	Norris	Vang
Becker-Finn	Fischer	Hill	Kraft	Olson, L.	Virmig
Berg	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Brand	Freiberg	Howard	Liebling	Pryor	Youakim
Carroll	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Myers	Sencer-Mura	
Edelson	Hassan	Klevorn	Nelson, M.	Smith	

The motion did not prevail and the amendment was not adopted.

Rarick moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 154, line 26, strike "subdivision 1a" and insert "paragraph (e)"

Page 155, line 3, strike "subdivision 1a" and insert "paragraph (e)"

Page 155, after line 10, insert:

"(e) The total amount transferred to the renewable development account under paragraphs (c) and (d) may not exceed the following amounts in the years specified:

(1) \$30,000,000 in 2025;

(2) \$22,500,000 in 2026;

(3) \$15,000,000 in 2027;

(4) \$7,500,000 in 2028; and

(5) \$0 in 2029 and thereafter."

Reletter the paragraphs in sequence

A roll call was requested and properly seconded.

The question was taken on the Rarick amendment and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, P. E.	Fogelman	Johnson	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Franson	Joy	Murphy	Perryman	Torkelson
Bakeberg	Garofalo	Kiel	Myers	Petersburg	Urdahl
Baker	Gillman	Knudsen	Nadeau	Pfarr	West
Bennett	Grossell	Koznick	Nash	Quam	Wiener
Burkel	Harder	Kresha	Nelson, N.	Rarick	Wiens
Davis	Heintzeman	Lawrence	Neu Brindley	Schomacker	Witte
Demuth	Hudson	Lislegard	Niska	Schultz	Zelevnikar
Dotseth	Igo	McDonald	Novotny	Scott	
Engen	Jacob	Mekeland	O'Driscoll	Skraba	

Those who voted in the negative were:

Agbaje	Carroll	Finke	Hanson, J.	Howard	Kozlowski
Altendorf	Cha	Fischer	Hassan	Huot	Kraft
Backer	Clardy	Frazier	Hemmingsen-Jaeger	Hussein	Lee, F.
Bahner	Coulter	Frederick	Her	Jordan	Lee, K.
Becker-Finn	Curran	Freiberg	Hicks	Keeler	Liebling
Berg	Edelson	Gomez	Hill	Klevorn	Lillie
Bierman	Elkins	Greenman	Hollins	Koegel	Long
Brand	Feist	Hansen, R.	Hornstein	Kotzya-Witthuhn	Moller

Nelson, M.	Olson, L.	Pursell	Smith	Virnig	Spk. Hortman
Newton	Pérez-Vega	Rehm	Stephenson	Wolgamott	
Noor	Pinto	Reyer	Tabke	Xiong	
Norris	Pryor	Sencer-Mura	Vang	Youakim	

The motion did not prevail and the amendment was not adopted.

Igo moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 181, after line 14, insert:

"Sec. 18. **[216C.355] SUBSIDIZED FACILITIES; DOMESTIC CONTENT REQUIREMENT.**

Any financial assistance provided by the state for the purpose of subsidizing the deployment of a wind energy conversion system, as defined in section 216F.01, subdivision 4; a solar energy generating system, as defined in section 216E.01, subdivision 9a; or an energy storage system, as defined in section 216B.2422, subdivision 1, must include a condition requiring that at least 50 percent of the components of the facility receiving the financial assistance, by value, be manufactured in the United States."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Igo amendment and the roll was called. There were 61 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Igo	Mekeland	Olson, B.	Torkelson
Anderson, P. E.	Dotseth	Jacob	Mueller	Perryman	Urdahl
Anderson, P. H.	Engen	Johnson	Murphy	Petersburg	West
Backer	Fogelman	Joy	Myers	Pfarr	Wiens
Bakeberg	Franson	Kiel	Nadeau	Quam	Witte
Baker	Garofalo	Knudsen	Nash	Rarick	Zelevnikar
Bennett	Gillman	Koznick	Nelson, N.	Schomacker	
Berg	Grossell	Kresha	Neu Brindley	Schultz	
Brand	Harder	Lawrence	Niska	Scott	
Burkel	Heintzeman	Lislegard	Novotny	Skraba	
Davis	Hudson	McDonald	O'Driscoll	Swedzinski	

Those who voted in the negative were:

Agbaje	Clardy	Finke	Greenman	Hicks	Hussein
Bahner	Coulter	Fischer	Hansen, R.	Hill	Jordan
Becker-Finn	Curran	Frazier	Hanson, J.	Hollins	Keeler
Bierman	Edelson	Frederick	Hassan	Hornstein	Klevorn
Carroll	Elkins	Freiberg	Hemmingsen-Jaeger	Howard	Koegel
Cha	Feist	Gomez	Her	Huot	Kotyza-Witthuhn

Kozlowski	Lillie	Noor	Pryor	Smith	Wolgamott
Kraft	Long	Norris	Pursell	Stephenson	Xiong
Lee, F.	Moller	Olson, L.	Rehm	Tabke	Youakim
Lee, K.	Nelson, M.	Pérez-Vega	Reyer	Vang	Spk. Hortman
Liebling	Newton	Pinto	Sencer-Mura	Virnig	

The motion did not prevail and the amendment was not adopted.

Igo moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 107, line 16, delete "\$500,000" and insert "\$200,000"

Page 107, after line 29, insert:

"(c) \$300,000 in fiscal year 2025 is for the advanced nuclear study required under article 14, section 35."

Reletter the paragraphs in sequence

Page 188, after line 23, insert:

"Sec. 35. **ADVANCED NUCLEAR TECHNOLOGIES STUDY.**

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

(1) "advanced nuclear reactor" means a small modular reactor or a molten sodium reactor;

(2) "molten sodium reactor" means a nuclear fission reactor that uses a fluid fuel in the form of very hot fluoride or chloride salt; and

(3) "small modular reactor" means a nuclear fission reactor that (i) has a capacity of 300 megawatts or less, and (ii) can be factory assembled and transported as a unit.

Subd. 2. **Study required.** (a) The commissioner of commerce must conduct a study evaluating the potential costs, benefits, and impacts of advanced nuclear reactors operating in Minnesota.

(b) At a minimum, the study must analyze the impacts the operation of advanced nuclear reactors have on:

(1) air emissions from electric generating facilities in Minnesota;

(2) retail electricity prices;

(3) reliability of Minnesota's electric grid;

(4) the state's air resources, water resources, land resources, and public health, including the impact of any waste material generated by the reactors;

(5) new employment opportunities for Minnesota workers;

(6) local economic development;

(7) Minnesota's eligible energy technology standard under Minnesota Statutes, section 216B.1691, subdivision 2a; and

(8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691, subdivision 2g.

(c) The study must also identify Minnesota statutes and administrative rules that would require modifications in order to enable the construction and operation of advanced nuclear reactors.

(d) The study must evaluate the technologies and methods most likely to minimize the environmental impacts of nuclear waste and the costs of managing nuclear waste.

Subd. 3. **Report.** The commissioner of commerce must submit the results of the study under subdivision 2 to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy no later than January 31, 2025."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Igo amendment and the roll was called. There were 61 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Engen	Johnson	Murphy	Petersburg	Urdahl
Anderson, P. E.	Fogelman	Joy	Myers	Pfarr	West
Anderson, P. H.	Franson	Kiel	Nadeau	Quam	Wiener
Backer	Garofalo	Knudsen	Nash	Rarick	Wiens
Bakeberg	Gillman	Koznick	Nelson, N.	Schomacker	Witte
Baker	Grossell	Kresha	Neu Brindley	Schultz	Zeleznikar
Bennett	Harder	Lawrence	Niska	Scott	
Burkel	Heintzeman	Lislegard	Novotny	Skraba	
Davis	Hudson	McDonald	O'Driscoll	Stephenson	
Demuth	Igo	Mekeland	Olson, B.	Swedzinski	
Dotseth	Jacob	Mueller	Perryman	Torkelson	

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Jordan	Long	Rehm
Bahner	Elkins	Hassan	Keeler	Moller	Reyer
Becker-Finn	Feist	Hemmingsen-Jaeger	Klevorn	Nelson, M.	Sencer-Mura
Berg	Finke	Her	Koegel	Newton	Smith
Bierman	Fischer	Hicks	Kotyza-Witthuhn	Noor	Tabke
Brand	Frazier	Hill	Kozlowski	Norris	Vang
Carroll	Frederick	Hollins	Kraft	Olson, L.	Virnig
Cha	Freiberg	Hornstein	Lee, F.	Pérez-Vega	Wolgamott
Clardy	Gomez	Howard	Lee, K.	Pinto	Xiong
Coulter	Greenman	Huot	Liebling	Pryor	Youakim
Curran	Hansen, R.	Hussein	Lillie	Pursell	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

Lislegard and Swedzinski moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 188, after line 23, insert:

"ARTICLE 15  
ENVIRONMENTAL REVIEW AND PERMITTING

Section 1. **[84.0265] ENVIRONMENTAL REVIEW AND PERMITTING; COORDINATED PROJECT PLANS.**

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

(1) "commissioner" means the commissioner of natural resources;

(2) "coordinated project plan" or "plan" means a plan to ensure that any required environmental review and associated required state agency actions are completed efficiently by coordinating and establishing deadlines for all necessary state agency actions;

(3) "eligible project" means a project that requires the commissioner to prepare an environmental assessment worksheet or an environmental impact statement under chapter 116D and associated permits, unless the project is sponsored by the Department of Natural Resources; and

(4) "state agency" means the department or any other office, board, commission, authority, department, or other agency of the executive branch of state government.

Subd. 2. **State policy.** It is the goal of the state to maximize the coordination, effectiveness, transparency, and accountability of environmental review, associated environmental permitting, and other regulatory actions for facilities in Minnesota.

Subd. 3. **Early communication; identifying issues.** To the extent practicable, the commissioner must establish and provide an expeditious process for a person that requests to confer with the department and other state agencies about an eligible project. The department must provide information about any identified challenging issues regarding the potential environmental impacts related to an eligible project, including any issues that could substantially delay a state agency from completing agency decisions; and issues that must be addressed before an environmental assessment worksheet, environmental impact statement, final scoping decision, permit action, or other required action by a state agency can be started.

Subd. 4. **Plan preparation; participating agencies.** (a) A person who submits an application for an eligible project to the commissioner may request that the commissioner prepare a coordinated project plan to complete any required environmental review and associated agency actions for the eligible project.

(b) Within 60 days of receiving a request under paragraph (a), the commissioner must prepare a coordinated project plan in consultation with the requestor and other state agencies identified under paragraph (c). If an eligible project requires or otherwise includes the preparation of an environmental impact statement, the commissioner is required to prepare a coordinated project plan that first covers the period through a final scoping decision. Within 60 days of completion of the final scoping decision, the commissioner must update the coordinated project plan to include the remainder of the environmental review process as well as applicable state permits and other state regulatory decisions. The coordinated project plan is subject to modification in accordance with subdivision 7.

(c) Any state agency that must make permitting or other regulatory decisions over the eligible project must participate in developing a coordinated project plan.



(d) If an eligible project requires environmental review and the Department of Natural Resources is the responsible governmental unit, then the Department of Natural Resources is the lead agency responsible for preparation of a coordinated project plan under this section. If an eligible project requires environmental review and the Pollution Control Agency is the responsible governmental unit, then the Pollution Control Agency is the lead agency responsible for preparation of a coordinated project under section 116.035.

**Subd. 5. Plan contents; synchronization; updates.** (a) A coordinated project plan must include:

(1) a list of all state agencies known to have environmental review, permitting, or other regulatory authority over the eligible project and an explanation of each agency's specific role and responsibilities for actions under the coordinated project plan;

(2) a schedule for any formal public meetings; and

(3) a comprehensive schedule of deadlines by which all environmental reviews, permits, and other state agency actions must be completed. The deadlines established under this clause must include intermediate and final completion deadlines for actions by each state agency and must be consistent with subdivision 6, subject to modification in accordance with subdivision 7.

(b) The commissioner must update a coordinated project plan quarterly.

**Subd. 6. Required deadlines.** (a) Deadlines established in a coordinated project plan must comply with this subdivision, unless an alternative time period is agreed upon by the commissioner and proposer.

(b) When an environmental assessment worksheet is prepared for an eligible project for which an environmental impact statement is not mandatory under Minnesota Rules, chapter 4410, the decision on the need for an environmental impact statement must be made as expeditiously as possible but no later than 18 months after the environmental assessment worksheet is deemed complete by the commissioner.

(c) When an environmental impact statement is prepared for an eligible project, the decision on the adequacy of the final environmental impact statement must be made as expeditiously as possible but no later than four years after the data submitted for the environmental assessment worksheet is deemed complete.

(d) If the commissioner includes plan deadlines that are inconsistent with paragraphs (b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy to explain how deadlines were established and why the deadlines under paragraphs (b) and (c) are not attainable.

**Subd. 7. Deadline compliance; modification.** (a) A state agency that participates in the commissioner's development of a coordinated project plan must comply with deadlines established in the plan. If a participating state agency fails to meet a deadline established in the coordinated project plan or anticipates failing to meet a deadline, the state agency must immediately notify the commissioner to explain the reason for the failure or anticipated failure and to propose a date for a modified deadline.

(b) The commissioner may modify a deadline established in the coordinated project plan if the project proposer fails to meet a deadline established in the coordinated project plan or provides inadequate information to meet that deadline; or if:

(1) the commissioner provides the person that requested the plan with a written justification for the modification; and

(2) the commissioner and the state agency, after consultation with the person that requested the plan, mutually agree on a different deadline.

(c) If the combined modifications to one or more deadlines established in a coordinated project plan extend the initially anticipated final decision date for an eligible project application by more than 20 percent, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy within 30 days to explain the reason the modifications are necessary. The commissioner must also notify the chairs and ranking minority members within 30 days of any subsequent extensions to the final decision date. The notification must include the reason for the extension and the history of any prior extensions. For purposes of calculating the percentage of time that modifications have extended the anticipated final decision date, modifications made necessary by reasons wholly outside the control of state agencies must not be considered.

Subd. 8. **Annual report.** As part of the annual permitting efficiency report required under section 84.027, the commissioner must report on progress toward required actions described in this section.

Subd. 9. **Relation to other law.** Nothing in this section is to be construed to require an act that conflicts with applicable state or federal law. Nothing in this section affects the specific statutory obligations of a state agency to comply with criteria or standards of environmental quality.

**Sec. 2. [116.035] ENVIRONMENTAL REVIEW AND PERMITTING; COORDINATED PROJECT PLANS.**

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

(1) "commissioner" means the commissioner of the Pollution Control Agency;

(2) "coordinated project plan" or "plan" means a plan to ensure that any required environmental review and associated required state agency actions are completed efficiently by coordinating and establishing deadlines for all necessary state agency actions;

(3) "eligible project" means a project that requires the commissioner to prepare an environmental assessment worksheet or an environmental impact statement under chapter 116D and associated permits; and

(4) "state agency" means the agency or any other office, board, commission, authority, department, or other agency of the executive branch of state government.

Subd. 2. **State policy.** It is the goal of the state to maximize the coordination, effectiveness, transparency, and accountability of environmental review, associated environmental permitting, and other regulatory actions for facilities in Minnesota.

Subd. 3. **Early communication; identifying issues.** To the extent practicable, the commissioner must establish and provide an expeditious process for a person that requests to confer with the agency and other state agencies about an eligible project. The agency must provide information about any identified challenging issues regarding the potential environmental impacts related to an eligible project, including any issues that could substantially delay a state agency from completing agency decisions and issues that must be addressed before an environmental assessment worksheet, environmental impact statement, final scoping decision, permit action, or other required action by a state agency can be started.

**Subd. 4. Plan preparation; participating agencies.** (a) A person who submits an application for an eligible project to the commissioner may request that the commissioner prepare a coordinated project plan to complete any required environmental review and associated agency actions for the eligible project.

(b) Within 60 days of receiving a request under paragraph (a), the commissioner must prepare a coordinated project plan in consultation with the requestor and other state agencies identified under paragraph (c). If an eligible project requires or otherwise includes the preparation of an environmental impact statement, the commissioner is required to prepare a coordinated project plan that first covers the period through a final scoping decision. Within 60 days of completion of the final scoping decision, the commissioner must update the coordinated project plan to include the remainder of the environmental review process as well as applicable state permits and other state regulatory decisions. The coordinated project plan is subject to modification in accordance with subdivision 7.

(c) Any state agency that must make permitting or other regulatory decisions over the eligible project must participate in developing a coordinated project plan.

(d) If an eligible project requires environmental review and the Department of Natural Resources is the responsible governmental unit, then the Department of Natural Resources is the lead agency responsible for preparation of a coordinated project plan under section 84.0265. If an eligible project requires environmental review and the Pollution Control Agency is the responsible governmental unit, then the Pollution Control Agency is the lead agency responsible for preparation of a coordinated project under this section.

**Subd. 5. Plan contents; synchronization; updates.** (a) A coordinated project plan must include:

(1) a list of all state agencies known to have environmental review, permitting, or other regulatory authority over the eligible project and an explanation of each agency's specific role and responsibilities for actions under the coordinated project plan;

(2) a schedule for any formal public meetings; and

(3) a comprehensive schedule of deadlines by which all environmental reviews, permits, and other state agency actions must be completed. The deadlines established under this clause must include intermediate and final completion deadlines for actions by each state agency and must be consistent with subdivision 6, subject to modification in accordance with subdivision 7.

(b) The commissioner must update a coordinated project plan quarterly.

**Subd. 6. Required deadlines.** (a) Deadlines established in a coordinated project plan must comply with this subdivision unless an alternative time period is agreed upon by the commissioner and proposer.

(b) When an environmental assessment worksheet is prepared for an eligible project for which an environmental impact statement is not mandatory under Minnesota Rules, chapter 4410, the decision on the need for an environmental impact statement must be made as expeditiously as possible but no later than 18 months after the environmental assessment worksheet is deemed complete by the commissioner.

(c) When an environmental impact statement is prepared for an eligible project, the decision on the adequacy of the final environmental impact statement must be made as expeditiously as possible but no later than four years after the submitted data for the environmental assessment worksheet is deemed complete.

(d) If the commissioner includes plan deadlines that are inconsistent with paragraphs (b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy to explain how deadlines were established and why the deadlines under paragraphs (b) and (c) are not attainable.

Subd. 7. **Deadline compliance; modification.** (a) A state agency that participates in the commissioner's development of a coordinated project plan must comply with deadlines established in the plan. If a participating state agency fails to meet a deadline established in the coordinated project plan or anticipates failing to meet a deadline, the state agency must immediately notify the commissioner to explain the reason for the failure or anticipated failure and to propose a date for a modified deadline.

(b) The commissioner may modify a deadline established in the coordinated project plan if the project proposer fails to meet a deadline established in the coordinated project plan or provides inadequate information to meet that deadline; or if:

(1) the commissioner provides the person that requested the plan with a written justification for the modification; and

(2) the commissioner and the state agency, after consultation with the person that requested the plan, mutually agree on a different deadline.

(c) If the combined modifications to one or more deadlines established in a coordinated project plan extend the initially anticipated final decision date for an eligible project application by more than 20 percent, the commissioner must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy within 30 days to explain the reason the modifications are necessary. The commissioner must also notify the chairs and ranking minority members within 30 days of any subsequent extensions to the final decision date. The notification must include the reason for the extension and the history of any prior extensions. For purposes of calculating the percentage of time that modifications have extended the anticipated final decision date, modifications made necessary by reasons wholly outside the control of state agencies must not be considered.

Subd. 8. **Annual report.** As part of the annual permitting efficiency report required under section 116.03, the commissioner must report on progress toward required actions described in this section.

Subd. 9. **Relation to other law.** Nothing in this section is to be construed to require an act that conflicts with applicable state or federal law. Nothing in this section affects the specific statutory obligations of a state agency to comply with criteria or standards of environmental quality."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lislegard and Swedzinski amendment and the roll was called. There were 83 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Altendorf	Bahner	Berg	Cha	Dotseth	Franson
Anderson, P. E.	Bakeberg	Bierman	Coulter	Elkins	Frederick
Anderson, P. H.	Baker	Brand	Davis	Engen	Garofalo
Backer	Bennett	Burkel	Demuth	Fogelman	Gillman

Grossell	Kiel	McDonald	Niska	Quam	Urdahl
Harder	Klevorn	Mekeland	Norris	Rarick	West
Heintzeman	Knudsen	Mueller	Novotny	Schomacker	Wiener
Her	Koegel	Murphy	O'Driscoll	Schultz	Wiens
Hudson	Kotyza-Witthuhn	Myers	Olson, B.	Scott	Witte
Huot	Koznick	Nadeau	Pérez-Vega	Skraba	Wolgamott
Igo	Kresha	Nash	Perryman	Stephenson	Youakim
Jacob	Lawrence	Nelson, M.	Petersburg	Swedzinski	Zelevnikar
Johnson	Lislegard	Nelson, N.	Pfarr	Tabke	Spk. Hortman
Joy	Long	Neu Brindley	Pryor	Torkelson	

Those who voted in the negative were:

Agbaje	Finke	Hassan	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hemmingsen-Jaeger	Lee, F.	Pinto	Virmig
Carroll	Frazier	Hicks	Lee, K.	Pursell	Xiong
Clardy	Freiberg	Hollins	Liebling	Rehm	
Curran	Gomez	Hussein	Lillie	Reyer	
Edelson	Hansen, R.	Jordan	Moller	Sencer-Mura	
Feist	Hanson, J.	Keeler	Noor	Smith	

The motion prevailed and the amendment was adopted.

Speaker pro tempore Tabke called Her to the Chair.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 11, line 6, after "to" insert "continue actuarial and economic analyses and"

Page 11, line 9, after the period, insert "The actuarial and economic analyses must examine the uninsurance rates for 2026-2027 and contemplate policies, including state reinsurance programs, premium subsidies, and out-of-pocket subsidies, that can mitigate any increase."

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The waiver request must require coverage under the public option to meet the requirements that apply to state-regulated markets under Minnesota Statutes, chapters 62A and 62Q."

The motion prevailed and the amendment was adopted.

### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the O'Driscoll amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

O'Driscoll moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must certify that the waiver will not negatively impact access to health care services, or the provision of health care services in each rating area established in compliance with the Affordable Care Act."

A roll call was requested and properly seconded.

The question was taken on the O'Driscoll amendment and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Agbaje	Coulter	Gillman	Igo	Lee, K.	Niska
Altendorf	Curran	Gomez	Jacob	Liebling	Noor
Anderson, P. E.	Davis	Greenman	Johnson	Lillie	Norris
Anderson, P. H.	Demuth	Grossell	Jordan	Lislegard	Novotny
Backer	Dotseth	Hansen, R.	Joy	Long	O'Driscoll
Bahner	Edelson	Hanson, J.	Keeler	McDonald	Olson, B.
Bakeberg	Elkins	Harder	Kiel	Mekeland	Olson, L.
Baker	Engen	Hassan	Klevorn	Moller	Pérez-Vega
Becker-Finn	Feist	Heintzeman	Knudsen	Mueller	Perryman
Bennett	Finke	Hemmingsen-Jaeger	Koegel	Murphy	Petersburg
Berg	Fischer	Her	Kotyza-Witthuhn	Myers	Pfarr
Bierman	Fogelman	Hill	Kozlowski	Nadeau	Pinto
Brand	Franson	Hollins	Koznick	Nash	Pryor
Burkel	Frazier	Hornstein	Kraft	Nelson, M.	Pursell
Carroll	Frederick	Howard	Kresha	Nelson, N.	Quam
Cha	Freiberg	Hudson	Lawrence	Neu Brindley	Rarick
Clardy	Garofalo	Hussein	Lee, F.	Newton	Rehm

Reyer	Sencer-Mura	Swedzinski	Vang	Wiens	Youakim
Schomacker	Skraba	Tabke	Virnig	Witte	Zelevnikar
Schultz	Smith	Torkelson	West	Wolgamott	Spk. Hortman
Scott	Stephenson	Urdahl	Wiener	Xiong	

The motion prevailed and the amendment was adopted.

### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Schomacker amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Schomacker moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must certify that the waiver will not increase the premium rates for nonpublic option enrollees, including those enrolled in plans collectively bargained under the Taft-Hartley Act and those enrolled in plans on the individual market."

A roll call was requested and properly seconded.

The question was taken on the Schomacker amendment and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

## SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) In developing the waiver request, the commissioner of commerce must not rely on any new or increased taxes, fees, or assessments."

The motion prevailed and the amendment was adopted.

## SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the O'Driscoll amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

O'Driscoll moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must certify that the waiver will not add to or result in a state budget deficit."

A roll call was requested and properly seconded.

The question was taken on the O'Driscoll amendment and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Agbaje	Carroll	Fogelman	Heintzeman	Joy	Liebling
Altendorf	Cha	Franson	Hemmingsen-Jaeger	Keeler	Lillie
Anderson, P. E.	Clardy	Frazier	Her	Kiel	Lislegard
Anderson, P. H.	Coulter	Frederick	Hill	Klevorn	Long
Backer	Curran	Freiberg	Hollins	Knudsen	McDonald
Bahner	Davis	Garofalo	Hornstein	Koegel	Mekeland
Bakeberg	Demuth	Gillman	Howard	Kotzya-Witthuhn	Moller
Baker	Dotseth	Gomez	Hudson	Kozlowski	Mueller
Becker-Finn	Edelson	Greenman	Huot	Koznick	Murphy
Bennett	Elkins	Grossell	Hussein	Kraft	Myers
Berg	Engen	Hansen, R.	Igo	Kresha	Nadeau
Bierman	Feist	Hanson, J.	Jacob	Lawrence	Nash
Brand	Finke	Harder	Johnson	Lee, F.	Nelson, M.
Burkel	Fischer	Hassan	Jordan	Lee, K.	Nelson, N.



Neu Brindley	Olson, B.	Pryor	Schultz	Tabke	Wiens
Newton	Olson, L.	Pursell	Scott	Torkelson	Witte
Niska	Pérez-Vega	Quam	Sencer-Mura	Urdahl	Wolgamott
Noor	Perryman	Rarick	Skraba	Vang	Xiong
Norris	Petersburg	Rehm	Smith	Virnig	Youakim
Novotny	Pfarr	Reyer	Stephenson	West	Zelevnikar
O'Driscoll	Pinto	Schomacker	Swedzinski	Wiener	Spk. Hortman

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must certify that the waiver will reduce premiums for public option enrollees and those not enrolled in a public option."

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the O'Driscoll amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

O'Driscoll moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must estimate the difference between expected payments to providers under the public option and the amount that would have been paid under commercial contracts. The waiver shall not be submitted unless the commissioner certifies that this will not result in decreased access to care or increased costs for those with commercial insurance."

A roll call was requested and properly seconded.

The question was taken on the O'Driscoll amendment and the roll was called. There were 124 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hollins                      Jordan

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley withdrew the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Schomacker amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Schomacker moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must certify that the waiver will increase access to care for public option enrollees and those not enrolled in a public option."

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must certify that the waiver will improve market stability for public option enrollees and those not enrolled in a public option."

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 10, line 35, after "to" insert "requesting a federal waiver for"

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must include, as part of the waiver request, an analysis of the impact the continuation of reinsurance, and the expiration of reinsurance, would have on the public option."

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce may not implement, or take any action toward implementing, a public option without explicit legislative authority to do so."

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 11, line 34, after the period, insert "The commissioner shall provide written notice to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance and health insurance, upon submission of the waiver to the federal government."

The motion prevailed and the amendment was adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Schomacker amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Schomacker moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 14, after line 19, insert:

"(d) In order to be eligible for the MinnesotaCare public option, families and individuals must be Minnesota residents and must have filed a state income tax return."

A roll call was requested and properly seconded.

The question was taken on the Schomacker amendment and the roll was called. There were 60 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Scott
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Skraba
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Swedzinski
Backer	Franson	Joy	Myers	Petersburg	Torkelson
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	Urdahl
Baker	Gillman	Knudsen	Nash	Quam	West
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiener
Burkel	Harder	Kresha	Neu Brindley	Rehm	Wiens
Davis	Heintzeman	Lawrence	Niska	Schomacker	Witte
Demuth	Hudson	McDonald	Novotny	Schultz	Zelevnikar

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Keeler	Moller	Sencer-Mura
Bahner	Elkins	Hassan	Klevorn	Nelson, M.	Smith
Becker-Finn	Feist	Hemmingsen-Jaeger	Koegel	Newton	Stephenson
Berg	Finke	Her	Kotyza-Witthuhn	Noor	Tabke
Bierman	Fischer	Hill	Kozlowski	Norris	Vang
Brand	Frazier	Hollins	Kraft	Olson, L.	Virmig
Carroll	Frederick	Hornstein	Lee, F.	Pérez-Vega	Wolgamott
Cha	Freiberg	Howard	Lee, K.	Pinto	Xiong
Clardy	Gomez	Huot	Lillie	Pryor	Youakim
Coulter	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Curran	Hansen, R.	Jordan	Long	Reyer	

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 6, after line 22, insert:

"Section. 1. Minnesota Statutes 2022, section 62K.10, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) This section applies to: (1) all health carriers that either require an enrollee to use or that create incentives, including financial incentives, for an enrollee to use, health care providers that are managed, owned, under contract with, or employed by the health carrier; and (2) the MinnesotaCare public option. A health carrier that does not manage, own, or contract directly with providers in Minnesota is exempt from this section, unless it is part of a holding company as defined in section 60D.15 that in aggregate exceeds ten percent in either the individual or small group market in Minnesota.

(b) Health carriers renting provider networks from other entities must submit the rental agreement or contract to the commissioner of health for approval. In reviewing the agreements or contracts, the commissioner shall review the agreement or contract to ensure that the entity contracting with health care providers accepts responsibility to meet the requirements in this section."

Page 15, after line 32, insert:

"Subd. 10. **Geographic accessibility; provider network adequacy.** The public enrollment option must meet the same requirements under section 62K.10 regarding geographic accessibility and provider network adequacy as are required of other health carriers."

Renumber bill sections and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Agbaje	Coulter	Gillman	Hussein	Lee, F.	Newton
Altendorf	Curran	Gomez	Igo	Lee, K.	Niska
Anderson, P. E.	Davis	Greenman	Jacob	Liebling	Noor
Anderson, P. H.	Demuth	Grossell	Johnson	Lillie	Norris
Backer	Dotseth	Hansen, R.	Jordan	Lislegard	Novotny
Bahner	Edelson	Hanson, J.	Joy	Long	O'Driscoll
Bakeberg	Elkins	Harder	Keeler	McDonald	Olson, B.
Baker	Engen	Hassan	Kiel	Mekeland	Olson, L.
Becker-Finn	Feist	Heintzeman	Klevorn	Moller	Pérez-Vega
Bennett	Finke	Hemmingsen-Jaeger	Knudsen	Mueller	Perryman
Berg	Fischer	Her	Koegel	Murphy	Petersburg
Bierman	Fogelman	Hill	Kotzya-Witthuhn	Myers	Pfarr
Brand	Franson	Hollins	Kozlowski	Nadeau	Pinto
Burkel	Frazier	Hornstein	Koznick	Nash	Pryor
Carroll	Frederick	Howard	Kraft	Nelson, M.	Pursell
Cha	Freiberg	Hudson	Kresha	Nelson, N.	Quam
Clardy	Garofalo	Huot	Lawrence	Neu Brindley	Rarick

Rehm	Scott	Stephenson	Urdahl	Wiener	Xiong
Reyer	Sencer-Mura	Swedzinski	Vang	Wiens	Youakim
Schomacker	Skraba	Tabke	Virnig	Witte	Zelevnikar
Schultz	Smith	Torkelson	West	Wolgamott	Spk. Hortman

The motion prevailed and the amendment was adopted.

### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 15, after line 32, insert:

"Subd. 10. **Contingent implementation.** The commissioners of commerce and human services may implement a public option only upon federal approval, and only if the commissioners certify to the legislature the following:

(1) implementation of the public option will not result in a substantial reduction in federal basic health program funding for MinnesotaCare enrollees with household incomes not exceeding 200 percent of the federal poverty guidelines;

(2) premiums necessary to operationalize the public option will be affordable, in accordance with applicable federal law;

(3) the actuarial value of the benefit will not fall below 94 percent, except as provided in subdivision 7, clause (3), and the benefit set will provide coverage equal to or greater than that historically available under MinnesotaCare;

(4) the 1332 waiver was approved by the federal government under terms that are consistent with, and do not substantially deviate from, the requirements specified in this section;

(5) the public option will expand plan options available for individuals purchasing coverage;

(6) the state will receive pass-through funding from the federal government in an amount substantially similar to that which otherwise would have been received in the form of advanced premium tax credits;

(7) individuals currently served by the MinnesotaCare program will not be disproportionately or substantively negatively impacted in order to make the public option affordable or implementable; and

(8) individuals currently served by the medical assistance program will not be disproportionately or substantively negatively impacted in order to make the public option affordable or implementable."

A roll call was requested and properly seconded.



The question was taken on the Neu Brindley amendment and the roll was called. There were 59 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	McDonald	Novotny	Scott	

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Keeler	Moller	Reyer
Bahner	Elkins	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Becker-Finn	Feist	Hemmingsen-Jaeger	Koegel	Newton	Smith
Berg	Finke	Her	Kotyza-Witthuhn	Noor	Stephenson
Bierman	Fischer	Hill	Kozlowski	Norris	Tabke
Brand	Frazier	Hollins	Kraft	Olson, L.	Vang
Carroll	Frederick	Hornstein	Lee, F.	Pérez-Vega	Virnig
Cha	Freiberg	Howard	Lee, K.	Pinto	Wolgamott
Clardy	Gomez	Huot	Lillie	Pryor	Xiong
Coulter	Greenman	Hussein	Lislegard	Pursell	Youakim
Curran	Hansen, R.	Jordan	Long	Rehm	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, line 16, after "section" insert ", subject to legislative approval."

A roll call was requested and properly seconded.

The question was taken on the Nadeau amendment and the roll was called. There were 60 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Backer	Bennett	Demuth	Fogelman	Gillman
Anderson, P. E.	Bakeberg	Burkel	Dotseth	Franson	Grossell
Anderson, P. H.	Baker	Davis	Engen	Garofalo	Harder

Heintzeman	Knudsen	Mueller	Niska	Quam	Torkelson
Hudson	Koznick	Murphy	Novotny	Rarick	Urdahl
Igo	Kresha	Myers	O'Driscoll	Schomacker	West
Jacob	Lawrence	Nadeau	Olson, B.	Schultz	Wiener
Johnson	Liebling	Nash	Perryman	Scott	Wiens
Joy	McDonald	Nelson, N.	Petersburg	Skraba	Witte
Kiel	Mekeland	Neu Brindley	Pfarr	Swedzinski	Zelevnikar

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Keeler	Moller	Reyer
Bahner	Elkins	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Becker-Finn	Feist	Hemmingsen-Jaeger	Koegel	Newton	Smith
Berg	Finke	Her	Kotyza-Witthuhn	Noor	Stephenson
Bierman	Fischer	Hill	Kozlowski	Norris	Tabke
Brand	Frazier	Hollins	Kraft	Olson, L.	Vang
Carroll	Frederick	Hornstein	Lee, F.	Pérez-Vega	Virnig
Cha	Freiberg	Howard	Lee, K.	Pinto	Wolgamott
Clardy	Gomez	Huot	Lillie	Pryor	Xiong
Coulter	Greenman	Hussein	Lislegard	Pursell	Youakim
Curran	Hansen, R.	Jordan	Long	Rehm	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the O'Driscoll amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

O'Driscoll moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The waiver must allow persons with employer-sponsored insurance to enroll in the public option, if public option coverage is more affordable than their employer-sponsored coverage."

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 15, line 20, delete everything after "than the" and insert "commercial rate, and to annually adjust this rate for medical inflation."

Page 15, delete line 21

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 60 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	McDonald	Novotny	Scott
Anderson, P. E.	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. H.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Backer	Fogelman	Johnson	Murphy	Perryman	Torkelson
Bakeberg	Franson	Joy	Myers	Petersburg	Urdahl
Baker	Garofalo	Kiel	Nadeau	Pfarr	West
Bennett	Gillman	Knudsen	Nash	Quam	Wiener
Brand	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar

Those who voted in the negative were:

Agbaje	Elkins	Hassan	Klevorn	Newton	Smith
Bahner	Feist	Hemmingsen-Jaeger	Kotzya-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Her	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Virnig
Carroll	Frederick	Hornstein	Lee, K.	Pinto	Wolgamott
Cha	Freiberg	Howard	Lillie	Pryor	Xiong
Clardy	Gomez	Huot	Lislegard	Pursell	Youakim
Coulter	Greenman	Hussein	Long	Rehm	Spk. Hortman
Curran	Hansen, R.	Jordan	Moller	Reyer	
Edelson	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Schomacker amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Schomacker moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 16, delete line 1 and insert:

**"EFFECTIVE DATE.** This section is effective December 1, 2024, but only if the November 2024 budget forecast does not project a budget deficit."

The motion did not prevail and the amendment was not adopted.

## SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Neu Brindley amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 15, line 31, delete "are not" and insert "shall be"

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 59 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	McDonald	Novotny	Scott	

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Keeler	Moller	Reyer
Bahner	Elkins	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Becker-Finn	Feist	Hemmingsen-Jaeger	Koegel	Newton	Smith
Berg	Finke	Her	Kotzya-Witthuhn	Noor	Stephenson
Bierman	Fischer	Hill	Kozlowski	Norris	Tabke
Brand	Frazier	Hollins	Kraft	Olson, L.	Vang
Carroll	Frederick	Hornstein	Lee, F.	Pérez-Vega	Virmig
Cha	Freiberg	Howard	Lee, K.	Pinto	Wolgamott
Clardy	Gomez	Huot	Lillie	Pryor	Xiong
Coulter	Greenman	Hussein	Lislegard	Pursell	Youakim
Curran	Hansen, R.	Jordan	Long	Rehm	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

## SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Schomacker amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Schomacker moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The waiver must require the public option to meet the minimum risk-based capital requirements, as specified in Minnesota Statutes, chapter 60A."

A roll call was requested and properly seconded.

The question was taken on the Schomacker amendment and the roll was called. There were 59 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	McDonald	Novotny	Scott	

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Keeler	Moller	Reyer
Bahner	Elkins	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Becker-Finn	Feist	Hemmingsen-Jaeger	Koegel	Newton	Smith
Berg	Finke	Her	Kotyza-Witthuhn	Noor	Stephenson
Bierman	Fischer	Hill	Kozlowski	Norris	Tabke
Brand	Frazier	Hollins	Kraft	Olson, L.	Vang
Carroll	Frederick	Hornstein	Lee, F.	Pérez-Vega	Virmig
Cha	Freiberg	Howard	Lee, K.	Pinto	Wolgamott
Clardy	Gomez	Huot	Lillie	Pryor	Xiong
Coulter	Greenman	Hussein	Lislegard	Pursell	Youakim
Curran	Hansen, R.	Jordan	Long	Rehm	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Schomacker amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Schomacker moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 12, after line 10, insert:

"(d) The commissioner of commerce must include, as part of the waiver request, low-impact, medium-impact, and high-impact estimates for the expected take-up of the public option by those enrolled in employer-sponsored insurance, along with associated costs to the public option. The commissioner must identify which of these estimates is reflected in the waiver submission and provide the rationale for why that estimate was chosen, instead of either of the other two estimates developed."

A roll call was requested and properly seconded.

The question was taken on the Schomacker amendment and the roll was called. There were 61 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Altendorf	Engen	Johnson	Murphy	Petersburg	Urdahl
Anderson, P. E.	Fogelman	Joy	Myers	Pfarr	West
Anderson, P. H.	Franson	Kiel	Nadeau	Quam	Wiener
Backer	Garofalo	Knudsen	Nash	Rarick	Wiens
Bakeberg	Gillman	Koznick	Nelson, N.	Schomacker	Witte
Baker	Grossell	Kresha	Neu Brindley	Schultz	Zelevnikar
Bennett	Harder	Lawrence	Niska	Scott	
Burkel	Heintzeman	Lislegard	Novotny	Skraba	
Davis	Hudson	McDonald	O'Driscoll	Stephenson	
Demuth	Igo	Mekeland	Olson, B.	Swedzinski	
Dotseth	Jacob	Mueller	Perryman	Torkelson	

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura
Bahner	Elkins	Hassan	Klevorn	Newton	Smith
Becker-Finn	Feist	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Berg	Finke	Her	Kotyza-Witthuhn	Norris	Vang
Bierman	Fischer	Hill	Kozlowski	Olson, L.	Virnig
Brand	Frazier	Hollins	Kraft	Pérez-Vega	Wolgamott
Carroll	Frederick	Hornstein	Lee, F.	Pinto	Xiong
Cha	Freiberg	Howard	Lee, K.	Pryor	Youakim
Clardy	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Coulter	Greenman	Hussein	Long	Rehm	
Curran	Hansen, R.	Jordan	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Nadeau amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Nadeau moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 15, after line 32, insert:

"Subd. 10. **Termination of operation.** If the MinnesotaCare public option is implemented, operation of the MinnesotaCare public option shall terminate beginning with the first fiscal year for which the commissioner of management and budget determines that the per-member, per-month cost will exceed the estimates provided by Milliman under scenario 1E in their March 15, 2024, report to the Minnesota Department of Human Services."

A roll call was requested and properly seconded.

The question was taken on the Nadeau amendment and the roll was called. There were 59 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	McDonald	Novotny	Scott	

Those who voted in the negative were:

Agbaje	Edelson	Hanson, J.	Keeler	Moller	Reyer
Bahner	Elkins	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Becker-Finn	Feist	Hemmingsen-Jaeger	Koegel	Newton	Smith
Berg	Finke	Her	Kotyza-Witthuhn	Noor	Stephenson
Bierman	Fischer	Hill	Kozlowski	Norris	Tabke
Brand	Frazier	Hollins	Kraft	Olson, L.	Vang
Carroll	Frederick	Hornstein	Lee, F.	Pérez-Vega	Virmig
Cha	Freiberg	Howard	Lee, K.	Pinto	Wolgamott
Clardy	Gomez	Huot	Lillie	Pryor	Xiong
Coulter	Greenman	Hussein	Lislegard	Pursell	Youakim
Curran	Hansen, R.	Jordan	Long	Rehm	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

#### SUSPENSION OF RULES

Long moved that rule 3.33 relating to Amendments Must be Prefiled be suspended for the purpose of offering the Schomacker amendment to S. F. No. 4942, the third engrossment, as amended. The motion prevailed.

Schomacker moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 15, after line 32, insert:

"Subd. 10. **Limit on state costs.** If the MinnesotaCare public option is approved and implemented, state costs for the public option must not exceed the most recent estimate of state costs for the Minnesota premium security plan. The commissioner of commerce may adjust public option program parameters to remain within this expenditure limit."

The motion did not prevail and the amendment was not adopted.

Neu Brindley moved to amend S. F. No. 4942, the third engrossment, as amended, as follows:

Page 9, delete section 4

Page 11, delete section 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 61 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Jacob	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Johnson	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Joy	Myers	Pfarr	Wiener
Backer	Franson	Kiel	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Knudsen	Nash	Rarick	Witte
Baker	Gillman	Koznick	Nelson, N.	Schomacker	Zelevnikar
Bennett	Grossell	Kresha	Neu Brindley	Schultz	
Burkel	Harder	Lawrence	Niska	Scott	
Carroll	Heintzeman	Liebling	Novotny	Skraba	
Davis	Hudson	McDonald	O'Driscoll	Swedzinski	
Demuth	Igo	Mekeland	Olson, B.	Torkelson	

Those who voted in the negative were:

Agbaje	Clardy	Fischer	Hanson, J.	Howard	Kotzya-Witthuhn
Bahner	Coulter	Frazier	Hassan	Huot	Kozlowski
Becker-Finn	Curran	Frederick	Hemmingsen-Jaeger	Hussein	Kraft
Berg	Edelson	Freiberg	Her	Jordan	Lee, F.
Bierman	Elkins	Gomez	Hill	Keeler	Lee, K.
Brand	Feist	Greenman	Hollins	Klevorn	Lillie
Cha	Finke	Hansen, R.	Hornstein	Koegel	Lislegard



Long	Noor	Pinto	Reyer	Tabke	Xiong
Moller	Norris	Pryor	Sencer-Mura	Vang	Youakim
Nelson, M.	Olson, L.	Pursell	Smith	Virrig	Spk. Hortman
Newton	Pérez-Vega	Rehm	Stephenson	Wolgamott	

The motion did not prevail and the amendment was not adopted.

The Speaker assumed the Chair.

S. F. No. 4942, A bill for an act relating to state government; authorizing supplemental agriculture 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; modifying appropriations to the Office of Cannabis Management and the Department of Health; modifying fees assessed by the Department of Commerce; adding the Minnesota Consumer Data Privacy Act; adding and modifying consumer protection provisions; appropriating money for energy, utilities, environment, and climate; requiring utilities to accept an individual taxpayer identification number when new customers apply for utility service; allowing public utilities providing electric service to propose goals for fuel-switching improvement achievements to the commissioner of commerce; modifying the commercial property assessed clean energy program; making technical changes to various provisions governing or administered by the Department of Commerce; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 17.116, subdivision 2; 17.133, subdivision 1; 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 28A.10; 31.94; 32D.30; 41B.047, subdivision 1; 45.0135, subdivision 7; 62Q.73, subdivision 3; 116J.396, by adding a subdivision; 216B.098, by adding a subdivision; 216B.16, subdivisions 6c, 8; 216B.2402, subdivision 10, by adding a subdivision; 216B.2403, subdivisions 2, 3, 5, 8; 216B.241, subdivisions 2, 11, 12; 216B.243, subdivision 3b; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10; 325E.21, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3; 18C.425, subdivision 6; 35.155, subdivision 12; 41B.0391, subdivisions 1, 2, 4, 6; 116C.779, subdivision 1; 144.197; 216B.1691, subdivision 1; 216C.08; 216C.09; 216C.435, subdivision 8; 216C.436, subdivisions 1b, 2; 325E.21, subdivision 1b; 342.72; Laws 2023, chapter 43, article 1, section 2, subdivisions 1, 2, 3, 4, 5; Laws 2023, chapter 63, article 9, sections 5; 10; 15, subdivision 4; 20; proposing coding for new law in Minnesota Statutes, chapters 13; 58B; 62J; 216B; 216C; proposing coding for new law as Minnesota Statutes, chapter 325O; repealing Minnesota Statutes 2022, section 34.07.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Acomb	Clardy	Frederick	Hicks	Klevorn	Long
Agbaje	Coulter	Freiberg	Hill	Koegel	Moller
Bahner	Curran	Gomez	Hollins	Kotzya-Witthuhn	Nelson, M.
Becker-Finn	Edelson	Greenman	Hornstein	Kozlowski	Newton
Berg	Elkins	Hansen, R.	Howard	Kraft	Noor
Bierman	Feist	Hanson, J.	Huot	Lee, F.	Norris
Brand	Finke	Hassan	Hussein	Lee, K.	Olson, L.
Carroll	Fischer	Hemmingsen-Jaeger	Jordan	Lillie	Pérez-Vega
Cha	Frazier	Her	Keeler	Lislegard	Pinto

Pryor	Reyer	Stephenson	Virnig	Youakim
Pursell	Sencer-Mura	Tabke	Wolgamott	Spk. Hortman
Rehm	Smith	Vang	Xiong	

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	McDonald	Novotny	Scott	

The bill was passed, as amended, and its title agreed to.

The following Conference Committee Report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. No. 4124

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

May 8, 2024

The Honorable Melissa Hortman  
Speaker of the House of Representatives

The Honorable Bobby Joe Champion  
President of the Senate

We, the undersigned conferees for H. F. No. 4124 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 4124 be further amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1 OUTDOOR HERITAGE FUND

##### Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are

available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. The appropriations in this article are onetime appropriations.

<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>Sec. 2. <u>OUTDOOR HERITAGE FUND</u></b>		
Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$0</u></b>	<b><u>\$192,711,000</u></b>
This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. <b><u>Prairies</u></b>	<b><u>-0-</u></b>	<b><u>19,439,000</u></b>
<b><u>(a) Northern Tallgrass Prairie National Wildlife Refuge, Phase 14</u></b>		
<u>\$4,412,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee or permanent conservation easements and restore and enhance lands within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.</u>		
<b><u>(b) Accelerating Wildlife Management Area Program, Phase 16</u></b>		
<u>\$5,315,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.</u>		
<b><u>(c) Prairie Chicken Habitat Partnership of Southern Red River Valley, Phase 10</u></b>		
<u>\$3,794,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee</u>		

and restore and enhance lands within the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

**(d) Martin County DNR WMA Acquisition, Phase 8**

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

**(e) DNR Grassland Enhancement, Phase 16**

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

**(f) Enhanced Public Land - Grasslands, Phase 7**

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

**Subd. 3. Forests**

-0-

32,164,000

**(a) Minnesota Heritage Forest - Transition to Public Ownership Program**

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

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

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

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

\$1,569,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Pine County Soil and Water Conservation District, to acquire permanent conservation easements to protect high-quality forests, wetlands, and shoreline within the Kettle and Snake River watersheds. Up to \$150,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(d) DNR Forest Habitat Enhancement, Phase 4**

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

**(e) Young Forest Conservation, Phase 4**

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

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

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

**Subd. 4. Wetlands****-0-****38,412,000****(a) Wild-Rice Shoreland Protection, Phase 9**

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

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

\$7,670,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas or national wildlife refuges in Minnesota, in cooperation with the United States Fish and Wildlife Service, and to restore and enhance prairie lands, wetlands, and land buffering shallow lakes.

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

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

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

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

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

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

**(f) Nelson Slough - East Park Wildlife Management Area**

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

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

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

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

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

**(i) Lake Alice Enhancement, Fergus Falls**

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

**Subd. 5. Habitats**

-0-

101,294,000

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

\$4,711,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and acquire permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River watershed as follows: \$1,905,000 to Trust for Public Land; \$110,000 to Wild Rivers Conservancy; and \$2,696,000 to Minnesota Land Trust. Up to

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

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

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

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

\$3,321,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, \$1,083,000 is to the Northern Waters Land Trust and \$2,238,000 is to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

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

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

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

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



**(f) Mississippi Headwaters Habitat Corridor Project, Phase 8**

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

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

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

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

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

**(h) Red River Basin Riparian Habitat Program**

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

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

\$2,486,000 the second year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance habitat in targeted watersheds of southeast Minnesota to improve heritage brook trout and coldwater aquatic communities. Of this amount, \$400,000 is

to The Nature Conservancy, \$612,000 is to Trout Unlimited, and \$1,474,000 is to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(j) Southeast Minnesota Protection and Restoration, Phase 12**

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

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

\$2,345,000 the second year is to acquire land in permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. Of this amount, \$30,000 is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District and \$2,315,000 is to the Board of Water and Soil Resources. The Board of Water and Soil Resources may use up to \$60,000 for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

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

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

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

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

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

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

**(o) Metro Big Rivers, Phase 14**

\$8,123,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries within the metropolitan area as follows: \$1,250,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$420,000 to Friends of the Mississippi River; \$803,000 to Great River Greening; \$2,750,000 to Trust for Public Land; and \$2,900,000 to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(p) Anoka Sand Plain Habitat Conservation, Phase 9**

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

**(g) DNR Aquatic Habitat Restoration and Enhancement, Phase 7**

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

**(r) Minnesota Statewide Trout Habitat Enhancement**

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

**(s) Knife River Habitat Rehabilitation, Phase 7**

\$1,572,000 the second year is to the commissioner of natural resources for an agreement with the Arrowhead Regional Development Commission, in cooperation with the Lake Superior Steelhead Association, to restore and enhance trout habitat in the Knife River watershed. If the Arrowhead Regional Development Commission declines to serve as the fiscal agent for the project, an alternative fiscal agent must be identified in the accomplishment plan for the project.

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

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

**(u) Roseau Lake Rehabilitation, Phase 2**

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

**(v) Highbanks Ravine Bat Hibernaculum**

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

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

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

**(x) Silver Lake Dam Fish Passage Modification**

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

**(y) Little Devil Track River Restoration**

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

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

\$15,000,000 the second year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$500,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Unless there are not enough eligible grant applications received, of this amount, at least \$4,000,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more and at least \$4,000,000 is for grants to applicants that have not previously applied for money from the outdoor heritage fund. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$1,000,000. Of the total appropriation, \$600,000 may be spent for personnel costs, outreach, and support to first-time applicants and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of

receiving, or a charter to receive, private contributions for local conservation or habitat projects. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2027. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient completes a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

**(aa) Protecting Upper Mississippi River from Invasive Carp**

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

**Subd. 6. Administration**

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1,402,000

**(a) Contract Management**

\$350,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan. Money appropriated in this paragraph is available until June 30, 2026.

**(b) Technical Evaluation Panel**

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

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

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

**Subd. 7. Availability of Appropriation**

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

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

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

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

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

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

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

**Subd. 8. Payment Conditions and Capital Equipment Expenditures**

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

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

**Subd. 9. Mapping**

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

**Subd. 10. Carryforward**

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



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

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

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

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

## ARTICLE 2 CLEAN WATER FUND

### Section 1. CLEAN WATER FUND APPROPRIATIONS.

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

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

### Sec. 2. CLEAN WATER FUND

#### Subdivision 1. Total Appropriation

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

#### Subd. 2. Availability of Appropriation

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless

otherwise specified in this article, fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

**Subd. 3. Disability Access**

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

**Subd. 4. Increasing Diversity in Environmental Careers**

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

**Sec. 3. DEPARTMENT OF AGRICULTURE**

**\$-0-**

**\$4,402,000**

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

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

**Sec. 4. POLLUTION CONTROL AGENCY**

**\$-0-**

**\$5,326,000**

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

(b) \$1,950,000 the second year is for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (f). Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this paragraph are available until June 30, 2028.

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

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

(e) \$50,000 the second year is for a grant to the Friends of the Minnesota Valley to continue and expand the existing water quality and watershed monitoring river watch activities in schools in the Minnesota River Valley. By February 15, 2027, Friends of the Minnesota Valley must provide a report to the commissioner and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund on the outcomes achieved with the money received under this appropriation.

Sec. 5. **DEPARTMENT OF NATURAL RESOURCES**

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**\$90,000**

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

Sec. 6. **BOARD OF WATER AND SOIL RESOURCES**

**\$-0-**

**\$11,434,000**

(a) \$3,434,000 the second year is for a working-lands floodplain program and to purchase, restore, or preserve riparian land and floodplains adjacent to lakes, rivers, streams, and tributaries, by conservation easements or contracts to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase protection and recharge for groundwater. Up to \$225,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (f).

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

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

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

(e) \$1,000,000 the second year is for conservation easements acquired under Minnesota Statutes, sections 103F.501 to 103F.535, or for grants or contracts to local units of government or Tribal governments, including for fee title acquisition or for long-term protection of groundwater supply sources. Consideration must be given to drinking water supply management areas and alternative management tools in the Department of Agriculture *Minnesota Nitrogen Fertilizer Management Plan*, including using low-nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring conservation contracts. Up to \$50,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation, including the conditions and considerations, is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (g).

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

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

Sec. 7. **DEPARTMENT OF HEALTH**

**\$-0-**

**\$3,174,000**

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

(b) \$2,790,000 the second year is for managing a voluntary program in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona Counties to conduct an inventory of private wells, provide testing for nitrates, develop education and outreach for private well owners and users, and develop a dashboard to communicate testing results and report on progress.

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

Sec. 8. **UNIVERSITY OF MINNESOTA**

**\$-0-**

**\$1,000,000**

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

ARTICLE 3  
PARKS AND TRAILS FUND

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

Subdivision 1. **Total Appropriation**

**\$72,155,000**

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

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

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

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

Sec. 3. <b>DEPARTMENT OF NATURAL RESOURCES</b>	<b>\$43,580,000</b>	<b>\$ <del>38,931,000</del> <u>44,396,000</u></b>
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(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$29,167,000 the second year are for state parks, recreation areas, and trails to:

- (1) connect people to the outdoors;
  - (2) acquire land and create opportunities;
  - (3) maintain existing holdings; and
  - (4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.
- (b) The commissioner may spend money appropriated under paragraph (a) on I Can! programs, including but not limited to programs designed to provide underserved youth and youth who identify as lesbian, gay, bisexual, transgender, and queer the opportunity to experience the outdoors with similar peers.

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

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

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

(f) \$722,000 the first year and \$645,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

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

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

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

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

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

Sec. 4. **METROPOLITAN COUNCIL**

**\$28,572,000**

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

(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$29,167,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used only to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing agencies. Projects funded by the

money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts approved by each elected body. Any money remaining after completing the listed projects may be spent by the implementing agencies on projects to support parks and trails.

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

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

(e) Implementing agencies that charge a fee for activities or rental equipment, including but not limited to watercraft, skis, bicycles, golf clubs, and green fees, must report to the Metropolitan Council the opportunities to participate in the activities and rent equipment at free or reduced rates offered in their park and recreation programs. By February 1, 2025, the Metropolitan Council must provide a report to the legislative committees and divisions with jurisdiction over legacy funding on the information gathered under this paragraph.

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

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

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

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

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

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

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



ARTICLE 4  
ARTS AND CULTURAL HERITAGE FUND

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

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

<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. **ARTS AND CULTURAL HERITAGE**

Subdivision 1. **Total Appropriation**

<b><u>\$-0-</u></b>	<b><u>\$12,209,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Availability of Appropriation**

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

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

<b><u>-0-</u></b>	<b><u>5,738,000</u></b>
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(a) The amounts in this subdivision are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations

in this subdivision must ensure that the money is used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

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

\$4,590,000 the second year is to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (b).

**(c) Arts Education**

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

**(d) Arts and Cultural Heritage**

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

**(e) Administrative Costs**

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

**(f) Regional Arts Councils**

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

**Subd. 4. Department of Administration**-0-1,720,000

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

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

**(c) Berger Fountain Renovation**

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

**(d) Capri Theater**

\$250,000 the second year is for a grant to Capri Theater to enrich and expand youth and adult arts programming and effective arts and educational offerings for youth, families, and emerging and accomplished artists.

**(e) Veterans Memorial and Commemorations**

\$150,000 the second year is for a competitive grant program to award grants for groups celebrating, recognizing, and honoring the sacrifices of those who served in the military, including memorials, commemorations, facilities, and park features.

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

**(f) Indigenous Roots Cultural Arts Center and Cypher Side**

\$175,000 the second year is for a grant to Indigenous Roots Cultural Arts Center to partner with Cypher Side to provide dance and other arts programming.

**(g) Hrvatski Dom Croatian Hall**

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

**(h) Justus Ramsey Stone House**

\$300,000 the second year is for a grant to the Minnesota Transportation Museum for costs related to preserving Minnesota's historic Justus Ramsey Stone House and relocating it to the Jackson Street Roundhouse property owned and operated by the Minnesota Transportation Museum.

**(i) Minnesota Military and Veterans Museum**

\$275,000 the second year is for a grant to the Minnesota Military and Veterans Museum at Camp Ripley for the restoration, relocation, and interpretation of the USS Ward Number Three Gun and World War II display. This funding may also be used for site reclamation and improvements at the location of the removed work. Award of this grant is contingent on compliance and approvals in Minnesota Rules, part 2400.2703, subpart 7. This funding is available until June 30, 2027.

**(j) PROCEED**

\$100,000 the second year is for a grant to PROCEED, Inc., for arts, cultural, and environmental preservation work with youth.

**(k) Twin Cities Jazz Festival**

\$75,000 the second year is for arts and arts access at the Twin Cities Jazz Festival.

**Subd. 5. Minnesota Humanities Center**-0-3,550,000

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

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

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

(1) \$50,000 the second year is for outreach and education on the grant programs in this subdivision, with a focus on reaching diverse community organizations and providing assistance with grant opportunities, qualifications, and reporting requirements and specifically providing technical assistance and a nontraditional application process to improve access to grant funding for diverse communities.

(2) \$1,690,000 the second year is for a competitive grant program to provide grants to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of diverse Minnesota communities, including but not limited to Asian and Pacific Island communities, the Somali diaspora and other African immigrant communities, Indigenous communities with a focus on the 11 Tribes in Minnesota, the African American community, the Latinx community, the LGBTQIA+ community, and other underrepresented cultural groups, including communities of Black, Indigenous, and people of color, to celebrate the cultural diversity of Minnesota. An individual or organization that receives a grant under this clause must do at least one of the following:

(i) preserve and honor the cultural heritage of Minnesota;

(ii) provide education and student outreach on cultural diversity;

(iii) support the development of culturally diverse humanities programming, including arts programming, by individuals and organizations; or

(iv) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

(3) Of the amount in clause (2), \$750,000 must be used for grants for community events, music and jazz festivals, cultural festivals for art installations, music, and other performances and activities that support festivals and events. Funding under this clause must not go to parades. Amounts not awarded under this clause may be used for the purposes provided in clause (2).

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

(i) \$100,000 is for a grant to an organization to celebrate Minnesota's historical, cultural, and artistic heritage to provide boxes of essentials to mothers in the state. The organization must consult with the commissioner of health to develop and distribute the boxes;

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

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

**(c) Underrepresented Groups Cultural Studies Materials**

\$500,000 the second year is for competitive grants to develop high-quality academic cultural and ethnic studies materials for communities that do not have adequate cultural and ethnic studies materials or who are underrepresented in those materials, including but not limited to the Hmong, Karen, Somali, and Oromo cultures, and cultures without a formal writing system that are largely oral-based. In developing these materials, a recipient of a grant under this paragraph must work with school districts that intend to use the materials.

**(d) Urban Debate League**

\$180,000 the second year is for a grant to the Minnesota Urban Debate League to expand the Minnesota Urban Debate League program to serve additional school districts throughout Minnesota.

**(e) Monkeybear**

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

**(f) Saint Paul Neighborhood Network (SPNN)**

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

**(g) SivYig Culture Center**

\$40,000 the second year is for a grant to the SivYig Culture Center for programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans.

**(h) African Immigrants Community Services (AICS)**

\$40,000 the second year is for a grant to the African Immigrants Community Services (AICS) in Minneapolis for arts programming serving and celebrating the African arts and cultural heritage.

**(i) Mini Sota Agricultural Children's Museum**

\$50,000 the second year is for a grant to the Mini Sota Agricultural Children's Museum in Benson for improved accessibility and planning, design, and construction of exhibits.

**(j) Arts and Music Education; ACH Learners Grants**

\$500,000 the second year is for grants to organizations to offer scholarships to underserved youth and adults to pursue music, including singing, band, and orchestral instruments; creative writing; studio arts, including traditional craft and folk arts; and performing arts, including dance and theater, throughout the state. Priority for grants distributed in this paragraph must be given to:

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

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

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

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

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

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

**(k) 50th Anniversary of Vietnam War/Southeast Asian Conflict**

\$150,000 the second year is for a joint commemoration program, in collaboration with the Minnesota Historical Society, for the 50th anniversary of the Vietnam War/Secret War in Laos/Southeast Asian conflict that recognizes and honors the contributions of the Vietnamese, Lao, Cambodian, Hmong, and other Minnesota Vietnam veterans. The Minnesota Humanities Center must prepare the program to leverage the unique skillsets and relationships in the four Southeast Asian Minnesotan communities and the broader communities.

**(l) Art From the Inside**

\$150,000 the second year is for a grant to Art From the Inside to use the arts, including but not limited to visual art, poetry, literature, theater, dance, and music, to address the supportive, therapeutic, and rehabilitative needs of incarcerated persons and persons on supervised release and promote a safer correctional facility and community environment.

**Subd. 6. Minnesota Historical Society****-0-****1,201,000**

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

**(b) Grants**

(1) \$100,000 the second year is to facilitate negotiations for the purchase by the state of the Wizard of Oz ruby slippers through a combination of available state funds and nonstate sources of funding;

(2) \$400,000 the second year is for statewide historic and cultural grants to cultural community organizations, historical organizations, and veterans organizations for activities to commemorate 50 years of Southeast Asians in Minnesota. Money under this paragraph must be distributed through a competitive grant process. The Minnesota Historical Society must administer the grants using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(3) \$200,000 the second year is for activities to prepare and coordinate community commemoration programs celebrating 50 years of Hmong Americans in Minnesota. The Minnesota Historical Society must form an advisory task force consisting of members of the Hmong community to advise the society on the design and implementation of these activities and programs;

(4) \$200,000 the second year is for planning and outreach, in collaboration with the Minnesota Humanities Center, for Minnesota's commemoration of the 250th anniversary of the signing of the Declaration of Independence. The Minnesota



Historical Society and Minnesota Humanities Center must enter into an agreement between the organizations on how best to maximize the impact of this grant and of collaboration with statewide partners;

(5) \$50,000 the second year is for a grant to the Greater Litchfield Opera House Association to repair and update the Litchfield Opera House; and

(6) \$251,000 the second year is for a grant to the Dakota County Historical Society to design and build exhibits at the Lawshe Memorial Museum.

Sec. 3. Laws 2023, chapter 40, article 4, section 2, subdivision 3, is amended to read:

Subd. 3. <b>Minnesota State Arts Board</b>	47,421,000	44,796,000
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(a) The amounts in this subdivision are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

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

\$35,737,000 the first year and \$36,437,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. Grants provided under this paragraph must prioritize artists and arts organizations that plan to present art from communities that have been historically underrepresented in the arts or that improve access to the programs and projects for groups, including youth and historically underserved communities, that have struggled to access arts programming in the past.

**(c) Arts Education**

\$7,263,000 the first year and \$6,269,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts. Priority in the award of grants under this paragraph must be given

to providing educational opportunities to underserved communities with grants for organizations or entities providing opportunities to K-12 students throughout the state for arts education, including access to arts instruction, arts programming, museums, and arts presentations.

**(d) Arts and Cultural Heritage**

\$2,421,000 the first year and \$2,090,000 the second year are for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

**(e) Significant Art Project St. Paul**

\$2,000,000 the first year is for a grant to the Minnesota United Foundation for the design, land development, land transfer fees, and production costs of a public art project in St. Paul at the United Village site celebrating Minnesota arts and cultural heritage and providing a unique public art experience through sculpture and design. The project funded by this paragraph must have a matching ~~grant~~ contribution from nonpublic funds and must include a public-private partnership agreement providing an agreement for the future ownership, maintenance, taxes, and associated costs for the art project and project site. The project funded by this paragraph must have a permanent sign indicating the project was funded through the arts and cultural heritage fund. This appropriation is available until June 30, 2028. Nonpublic contributions made after January 1, 2024, are eligible matching expenditures for the purposes of this grant.

**(f) Administrative Costs**

Up to five percent of the totals in paragraphs (b) to (e) each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability ~~in~~ for fiscal ~~years~~ year 2024 and fiscal year 2025 appropriations.

**(g) Regional Arts Councils**

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

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

Delete the title and insert:

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

We request the adoption of this report and repassage of the bill.

House Conferees: LEON LILLIE, LIZ LEE and JEFF BACKER.

Senate Conferees: FOUNG HAWJ, SUSAN PHA and KARIN HOUSLEY.

Lillie moved that the report of the Conference Committee on H. F. No. 4124 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 4124, A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying and extending prior appropriations; amending Laws 2023, chapter 40, article 3, sections 2, subdivision 1; 3; 4.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Acomb	Coulter	Greenman	Jordan	Long	Pérez-Vega
Agbaje	Curran	Hansen, R.	Joy	McDonald	Perryman
Anderson, P. E.	Demuth	Hanson, J.	Keeler	Moller	Petersburg
Anderson, P. H.	Dotseth	Harder	Kiel	Mueller	Pfarr
Backer	Edelson	Hassan	Klevorn	Myers	Pinto
Bahner	Elkins	Heintzeman	Knudsen	Nadeau	Pryor
Bakeberg	Engen	Hemmingsen-Jaeger	Koegel	Nash	Pursell
Baker	Feist	Her	Kotyza-Witthuhn	Nelson, M.	Rehm
Becker-Finn	Finke	Hicks	Kozlowski	Nelson, N.	Reyer
Bennett	Fischer	Hill	Koznick	Neu Brindley	Schomacker
Berg	Franson	Hollins	Kraft	Newton	Schultz
Bierman	Frazier	Hornstein	Kresha	Noor	Scott
Brand	Frederick	Howard	Lee, F.	Norris	Sencer-Mura
Burkel	Freiberg	Huot	Lee, K.	Novotny	Skraba
Carroll	Garofalo	Hussein	Liebling	O'Driscoll	Smith
Cha	Gillman	Igo	Lillie	Olson, B.	Stephenson
Clardy	Gomez	Johnson	Lislegard	Olson, L.	Swedzinski

Tabke	Vang	Wiens	Xiong	Spk. Hortman
Torkelson	Virnig	Witte	Youakim	
Urdahl	Wiener	Wolgamott	Zelevnikar	

Those who voted in the negative were:

Altendorf	Grossell	Lawrence	Niska	West
Davis	Hudson	Mekeland	Quam	
Fogelman	Jacob	Murphy	Rarick	

The bill was repassed, as amended by Conference, and its title agreed to.

Acomb was excused for the remainder of today's session.

### MOTIONS AND RESOLUTIONS

Lee, F., moved that the name of Stephenson be shown as chief author on H. F. No. 2300. The motion prevailed.

Lee, F., moved that the name of Lee, F., be stricken as an author on H. F. No. 2300. The motion prevailed.

Finke moved that the names of Virnig and Becker-Finn be added as authors on H. F. No. 4273. The motion prevailed.

Smith moved that the name of Finke be added as an author on H. F. No. 4630. The motion prevailed.

Hassan moved that the name of Xiong be added as an author on H. F. No. 4746. The motion prevailed.

Long moved that the name of Pursell be added as an author on H. F. No. 4984. The motion prevailed.

Lislegard moved that the name of Zelevnikar be added as an author on H. F. No. 5246. The motion prevailed.

Wolgamott moved that the name of Zelevnikar be added as an author on H. F. No. 5374. The motion prevailed.

Hill moved that the name of Wiens be added as an author on H. F. No. 5461. The motion prevailed.

Stephenson moved that H. F. No. 5274, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

### MOTION TO SUSPEND RULES

Olson, B., moved that the rules of the House be so far suspended so that H. F. No. 4803 be recalled from the Committee on State and Local Government Finance and Policy, be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Olson, B., motion and the roll was called. There were 61 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Jacob	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Johnson	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Joy	Myers	Pfarr	Wiener
Backer	Franson	Kiel	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Knudsen	Nash	Rarick	Witte
Baker	Gillman	Koznick	Nelson, N.	Schomacker	Zelevnikar
Bennett	Grossell	Kresha	Neu Brindley	Schultz	
Brand	Harder	Lawrence	Niska	Scott	
Burkel	Heintzeman	Lislegard	Novotny	Skraba	
Davis	Hudson	McDonald	O'Driscoll	Swedzinski	
Demuth	Igo	Mekeland	Olson, B.	Torkelson	

Those who voted in the negative were:

Agbaje	Elkins	Hassan	Keeler	Moller	Reyer
Bahner	Feist	Hemmingsen-Jaeger	Klevorn	Nelson, M.	Sencer-Mura
Becker-Finn	Finke	Her	Koegel	Newton	Smith
Berg	Fischer	Hicks	Kotyza-Witthuhn	Noor	Stephenson
Bierman	Frazier	Hill	Kozlowski	Norris	Tabke
Carroll	Frederick	Hollins	Kraft	Olson, L.	Vang
Cha	Freiberg	Hornstein	Lee, F.	Pérez-Vega	Virmig
Clardy	Gomez	Howard	Lee, K.	Pinto	Wolgamott
Coulter	Greenman	Huot	Liebling	Pryor	Xiong
Curran	Hansen, R.	Hussein	Lillie	Pursell	Youakim
Edelson	Hanson, J.	Jordan	Long	Rehm	Spk. Hortman

The motion did not prevail.

Demuth moved to amend the Permanent Rules of the House of Representatives for the 93rd Session as follows:

Add a new rule to read:

"1.155 RECEIPT OF HOUSE OR SENATE FILE NOT TAKEN. If a Senate File is delivered to the House, or a House File is returned from the Senate with amendments, the House may refuse receipt if 25 members object to the receipt of this House or Senate File and accompanying message announcing its passage. Members may only object under this Rule if the members believe such passage by the Senate would betray the public trust or bring the House or Legislature into dishonor or disrepute."

A roll call was requested and properly seconded.

Long moved that the Demuth amendment to the Permanent Rules of the House of Representatives for the 93rd Session be referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

The question was taken on the Long motion and the roll was called. There were 68 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Vang
Berg	Fischer	Hill	Kraft	Olson, L.	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	
Edelson	Hassan	Klevorn	Nelson, M.	Smith	

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	West
Baker	Gillman	Knudsen	Nash	Quam	Wiener
Bennett	Grossell	Koznick	Nelson, N.	Rarick	Wiens
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Witte
Davis	Heintzeman	Lawrence	Niska	Schultz	Zelevnikar
Demuth	Hudson	McDonald	Novotny	Scott	

The motion prevailed and the Demuth amendment to the Permanent Rules of the House of Representatives for the 93rd Session was referred to the Committee on Rules and Legislative Administration.

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. 3488, A bill for an act relating to labor; providing compensation for minors appearing in Internet content creation; amending Minnesota Statutes 2022, section 181A.03, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 181A.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 3436, A bill for an act relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation notices, and greater Minnesota transit; establishing criminal penalties; modifying prior appropriations; making technical changes; appropriating money; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.685, subdivisions 4, 5, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivision 2; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 216D.01, subdivision 12, by adding subdivisions; 216D.03, by adding a subdivision; 216D.04; 216D.05; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 360.075, subdivision 1; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 161.045, subdivision 3; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.12, subdivisions 5c, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 1, section 2, subdivision 4; article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 216D.06, subdivision 3; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3911, A bill for an act relating to state government; modifying disposition of certain state 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 and county costs; establishing certain priorities in environmental regulation; prohibiting certain mercury-containing lighting; establishing and modifying grant and rebate programs; modifying snowmobile requirements; modifying use of state lands; providing for tree planting; extending Mineral Coordinating Committee; providing for gas and oil exploration

and production leases and permits on state-owned land; 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; 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; 84.871; 84.943, subdivision 5, by adding a subdivision; 88.82; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 93.25, subdivisions 1, 2; 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 17.457, as amended; 21.86, subdivision 2; 41A.30, subdivision 1; 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; 86B; 93; 97A; 97C; 103F; 115A; 116; 473; repealing Minnesota Statutes 2022, sections 17.353; 84.033, subdivision 3; 97B.802; 115A.5501.

The Senate has appointed as such committee:

Senators Hawj, McEwen, Morrison, Boldon, and Nelson.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Senators Wiklund, Boldon, and Utke.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 5237, A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, the Read Act, American Indian education, teachers, charter schools, special education, school facilities, school nutrition and libraries, early childhood education, and state agencies; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 13.321, by adding a subdivision; 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124D.093, subdivisions 3, 4, 5; 124D.19, subdivision 8; 124D.957, subdivision 1; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.45, subdivisions 12, 13, 14a; 127A.51; Minnesota Statutes 2023 Supplement, sections 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 2, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 2, by adding subdivisions; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.151, subdivision 6; 124D.165, subdivisions 3, 6; 124D.42, subdivision 8; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.98, subdivision 5; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13, 18a; 127A.21; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 8; article 2, section 64, subdivisions 2, as amended, 6, as amended, 9, 14, 16, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 10, 12, 13, 15, 16; 65, subdivisions 3, 6, 7; article 7, section 18, subdivision 4, as amended; article 8, section 19, subdivisions 5, 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; repealing Laws 2023, chapter 55, article 10, section 4.

The Senate has appointed as such committee:

Senators Kunesh, Cwodzinski, Gustafson, Maye Quade, and Boldon.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 5242, A bill for an act relating to state government; appropriating money for a supplemental budget for the Department of Transportation, Department of Public Safety, and the Metropolitan Council; modifying prior appropriations; modifying various provisions related to transportation and public safety, including but not limited to an intensive driver testing program, greenhouse gas emissions, electric-assisted bicycles, high voltage transmission, railroad safety, and transit; establishing civil penalties; establishing an advisory committee; labor and industry; making supplemental appropriation changes to labor provisions; modifying combative sports regulations, construction codes and licensing, Bureau of Mediation provisions, public employee labor relations provisions, miscellaneous labor provisions, broadband and pipeline safety, employee misclassification, and minors appearing in internet content; housing; modifying prior appropriations; establishing new programs and modifying existing programs; expanding eligible uses of housing infrastructure bonds; authorizing the issuance of housing infrastructure bonds; establishing a working group and a task force; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 15.082; 116J.395, subdivision 6; 161.14, by adding subdivisions; 161.45, by adding subdivisions; 161.46, subdivision 1; 168.09, subdivision 7; 168.092; 168.301, subdivision 3; 168A.10, subdivision 2; 168A.11, subdivision 1; 169.011, by adding subdivisions; 169.21, subdivision 6; 169.222, subdivisions 6a, 6b; 169A.55, subdivision 4; 171.306, subdivisions 1, 8; 174.02, by adding a subdivision; 174.75, subdivisions 1, 2, by adding a subdivision; 177.27, subdivision 3; 179A.12, subdivision 5; 181.171, subdivision 1; 181.722; 181.723; 181.960, subdivision 3; 181A.03, by adding subdivisions; 216B.17, by adding a subdivision; 216E.02, subdivision 1; 221.0255, subdivisions 4, 9, by adding subdivisions; 270B.14, subdivision 17, by adding a subdivision; 299J.01; 299J.02, by adding a subdivision; 299J.04, subdivision 2; 299J.11; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; 326B.802, subdivision 13; 326B.89, subdivisions 1, 5; 341.28, by adding a subdivision; 341.29; 462A.02, subdivision 10; 462A.03, by adding subdivisions; 462A.05, subdivisions 3b, 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding subdivisions; 462A.202, subdivision 3a; 462A.21, subdivisions 7, 8b; 462A.222, by adding a subdivision; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 462C.02, subdivision 6; 469.012, subdivision 2j; 473.13, by adding a subdivision; 473.3927; 626.892, subdivision 10; Minnesota Statutes 2023 Supplement, sections 116J.871, subdivision 1, as amended; 161.178; 161.46, subdivision 2; 168.1259; 169.011, subdivision 27; 169A.44, subdivision 1; 171.0705, subdivision 2; 171.13, subdivision 1; 174.38, subdivisions 3, 6; 174.634, subdivision 2, by adding a subdivision; 177.27, subdivisions 1, 2, 4, 7; 177.42, subdivision 2; 179A.041, subdivision 10; 179A.06, subdivision 6; 179A.07, subdivisions 8, 9; 179A.10, subdivision 2; 179A.12, subdivisions 2a, 6, 11; 219.015, subdivision 2; 326B.106, subdivision 1; 326B.802, subdivision 15; 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a subdivision; 341.355; 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.39, subdivision 2; 473.4051, by adding a subdivision; 477A.35, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2; Laws 2023, chapter 37, article 1, section 2, subdivisions 1, 2, 17, 29, 32; article 2, section 12, subdivision 2; Laws 2023, chapter 52, article 19, section 120; Laws 2023, chapter 53, article 19, sections 2, subdivisions 1, 3, 5; 4; proposing coding for new law in Minnesota Statutes, chapters 116J; 161; 168; 169; 171; 174; 181; 181A; 219; 325F; 462A; 469; 504B; repealing Minnesota Statutes 2022, sections 116J.398; 168.1297; 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; 5520.0800; 7410.6180.

The Senate has appointed as such committee:

Senators Dibble, McEwen, Port, Morrison, and Limmer.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 5247, A bill for an act relating to taxation; modifying individual income taxes, corporate franchise taxes, property taxes, local government aids, minerals taxes, sales and use taxes, gross receipts taxes, excise taxes, and other tax-related provisions; modifying income tax credits and subtractions; expanding the child tax credit and providing for a minimum credit; providing for nonconformity to certain worker classification rules; providing for disclosure of certain corporate franchise tax information; providing for direct free filing; requiring a corporate tax base erosion study; modifying property tax exemptions, credits, classifications, and abatements; adjusting local government aid calculations and payments and forgiving local government aid penalties; providing for an advance homestead credit for seniors; providing for transfers and distributions of proceeds of minerals taxes; providing for issuance of revenue bonds; providing for an amusement device gross receipts tax in lieu of the sales and use tax; providing sales and use tax construction exemptions; repealing the tax on illegal marijuana and controlled substances; providing special tax increment financing authority; authorizing cities and counties to impose local sales and use taxes for certain projects; establishing a local sales tax equalization distribution; providing for state auditor oversight of local sales and use taxes; modifying certain special local taxes; providing for taxpayer assistance and outreach grants; providing aid for various uses; providing for the establishment of land valuation districts; making technical changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 10A.02, subdivision 11b; 10A.322, subdivision 4; 116U.27, subdivision 2; 123B.53, subdivision 1; 123B.71, subdivision 8; 270C.21; 270C.445, subdivision 6; 272.02, subdivisions 7, 19, by adding subdivisions; 273.13, subdivision 22; 273.135, subdivision 2; 273.1393; 273.38; 273.41; 275.065, by adding a subdivision; 276.04, subdivision 2, as amended, by adding a subdivision; 276A.01, subdivision 17; 276A.06, subdivision 8; 289A.08, subdivision 1; 289A.12, subdivision 18; 290.0132, by adding a subdivision; 290.0683, subdivision 3; 290.92, by adding a subdivision; 290A.03, by adding subdivisions; 295.53, subdivision 4a; 297A.68, subdivisions 3a, 45; 297A.99, subdivision 3, by adding a subdivision; 297I.20, subdivision 4; 298.17; 298.28, subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 375.192, subdivision 2; 446A.086, subdivision 1; 469.104; 469.1812, by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision; 469.190, subdivisions 1, 7; 474A.091, subdivisions 2, 2a; 609.902, subdivision 4; Minnesota Statutes 2023 Supplement, sections 41B.0391, subdivision 4; 123B.71, subdivision 12; 126C.40, subdivision 6; 273.13, subdivisions 25, 34; 273.1392; 275.065, subdivision 3; 290.01, subdivision 19; 290.0132, subdivision 34; 290.0134, subdivision 20; 290.06, subdivision 23; 290.0661, subdivisions 1, 8, by adding a subdivision; 290.0671, subdivision 1a; 290.0693, subdivisions 1, 6, 8; 290.0695, subdivision 2; 290A.03, subdivisions 3, 13; 297A.61, subdivision 3; 297A.99, subdivision 1; 297H.13, subdivision 2; 298.018, subdivision 1; 298.28, subdivisions 7a, 16; 349.12, subdivision 25; 477A.30, subdivisions 4, 5, 6, 7; 477A.35, subdivision 6; Laws 1986, chapter 396, section 5, as amended; Laws 1986, chapter 400, section 44, as amended; Laws 2010, chapter 389, article 7, section 22, as amended; Laws 2014, chapter 308, article 6, section 9, as amended; Laws 2017, First Special Session chapter 1, article 6, section 22; Laws 2023, chapter 1, sections 22; 28; proposing coding for new law in Minnesota Statutes, chapters 270B; 273; 289A; 290A; 295; 297A; 428A; repealing Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12; 297D.13; Minnesota Statutes 2023 Supplement, sections 297A.99, subdivision 3a; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 477A.30, subdivision 8; Laws 2023, chapter 64, article 15, section 24.

The Senate has appointed as such committee:

Senators Rest, Dibble, Hauschild, Putnam, and Weber.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2609, A bill for an act relating to public safety; requiring a report on gun trafficking investigations and firearm seizures by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams; amending the definition of trigger activator; increasing penalties for transferring firearms to certain persons who are ineligible to possess firearms; amending Minnesota Statutes 2022, section 624.7141; Minnesota Statutes 2023 Supplement, sections 299A.642, subdivision 15; 609.67, subdivision 1.

THOMAS S. BOTTERN, Secretary of the Senate

Berg moved that the House refuse to concur in the Senate amendments to H. F. No. 2609, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 716.

THOMAS S. BOTTERN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 716, A bill for an act relating to human services; establishing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; modifying child welfare provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, section 260C.329, subdivisions 3, 8; proposing coding for new law in Minnesota Statutes, chapter 260.

The bill was read for the first time.

Agbaje moved that S. F. No. 716 and H. F. No. 912, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### **ADJOURNMENT**

Long moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, May 13, 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., Monday, May 13, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives